EXHIBIT A



Report Claims Immediately by Calling* 1-800-238-6225

Speak directly with a claim professional 24 hours a day, 365 days a year

*Unless Your Policy Requires Written Notice or Reporting

RESTAURANT PAC

FAST FOOD - FOOD COURTS



A Custom Insurance Policy Prepared for:

WM BANG LLC AND JBANG LLC D/B/A BANG 66 MARIOMI RD NEW CANAAN CT 06840

Presented by: RAND INSURANCE INC



One Tower Square, Hartford, Connecticut 06183

COMMON POLICY DECLARATIONS

POLICY NO.: 680-9N029386-19-42

RESTAURANT PAC

ISSUE DATE: 09/12/2019

BUSINESS: FAST FOOD - FOO

INSURING COMPANY:

TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA

1. NAMED INSURED AND MAILING ADDRESS:

WM BANG LLC AND JBANG LLC D/B/A BANG 66 MARIOMI RD NEW CANAAN CT 06840

2. POLICY PERIOD: From 09/10/2019 to 09/10/2020 12:01 A.M. Standard Time at your mailing address.

3. DESCRIPTION OF PREMISES:

PREM.

LOC. NO.

001

BLDG. NO.

001

OCCUPANCY

FAST FOOD - FOO

ADDRESS

(same as Mailing Address unless specified otherwise)

125 WESTCHESTER AVE WESTCHESTER MALL

WHITE PLAINS

NY 10601

4. COVERAGE PARTS AND SUPPLEMENTS FORMING PART OF THIS POLICY AND INSURING COMPANIES

COVERAGE PARTS and SUPPLEMENTS

INSURING COMPANY

Businessowners Coverage Part

ACJ

- 5. The COMPLETE POLICY consists of this declarations and all other declarations, and the forms and endorse ments for which symbol numbers are attached on a separate listing.
- 6. SUPPLEMENTAL POLICIES: Each of the following is a separate policy containing its complete provisions.

POLICY

POLICY NUMBER

INSURING COMPANY

DIRECT BILL

7. PREMIUM SUMMARY:

Provisional Premium

\$

4,917.19

Due at Inception

\$

Due at Each

\$

NAME AND ADDRESS OF AGENT OR BROKER

COUNTERSIGNED BY:

RAND INSURANCE INC

HF609

PO BOX 900

Authorized Representative

RIVERSIDE

CT 06878

DATE: 09/12/2019

IL TO 19 02 05 (Page 1 of 01)

DOWN

Office: HARTFORD CT



One Tower Square, Hartford, Connecticut 06183

BUSINESSOWNERS COVERAGE PART DECLARATIONS

RESTAURANT PAC

POLICY NO.: 680-9N029386-19-42

ISSUE DATE: 09/12/2019

INSURING COMPANY:

TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA

POLICY PERIOD:

From 09-10-19 to 09-10-20 12:01 A.M. Standard Time at your mailing address

FORM OF BUSINESS: LIMITED LIAB CORP

COVERAGES AND LIMITS OF INSURANCE: Insurance applies only to an item for which a "limit" or the word "included" is shown.

COMMERCIAL GENERAL LIABILITY COVERAGE

| OCCURRENCE FORM | LIMITS | of | INSURANCE |
|---|--------|----|-----------|
| General Aggregate (except Products-Completed Operations Lim | it) \$ | | 4,000,000 |
| Products-completed Operations Aggregate Limit | \$ | | 4,000,000 |
| Personal and Advertising Injury Limit | \$ | | 2,000,000 |
| Each Occurrence Limit | \$ | | 2,000,000 |
| Damage to Premises Rented to You | \$ | | 300,000 |
| Medical Payments Limit (any one person) | \$ | | 5,000 |

BUSINESSOWNERS PROPERTY COVERAGE

DEDUCTIBLE AMOUNT: Businessowners Property Coverage: \$ 1,000 per occurrence.

Building Glass: \$ 1,000 per occurrence.

BUSINESS INCOME/EXTRA EXPENSE LIMIT: Actual loss for 12 consecutive months

Period of Restoration-Time Period: Immediately

ADDITIONAL COVERAGE:

Fine Arts: \$ 25,000

Other additional coverages apply and may be changed by an endorsement. Please read the policy.

SPECIAL PROVISIONS:

COMMERCIAL GENERAL LIABILITY COVERAGE IS SUBJECT TO A GENERAL AGGREGATE LIMIT

MP T0 01 02 05 (Pa

(Page 1 of 2)

BUSINESSOWNERS PROPERTY COVERAGE

PREMISES LOCATION NO.: 001 BUILDING NO.: 001

LIMIT OF INFLATION

INSURANCE VALUATION COINSURANCE GUARD COVERAGE BUSINESS PERSONAL PROPERTY \$ 50,000 RC* N/A 0.0%

*Replacement Cost

COVERAGE EXTENSIONS:

25,000 Accounts Receivable Valuable Papers 25,000

Other coverage extensions apply and may be changed by an endorsement. Please read the policy.



TAXES AND SURCHARGES RESTAURANT PAC

PAC

POLICY NO.: 680-9N029386-19-42 EFFECTIVE DATE: 09/10/2019 ISSUE DATE: 09/12/2019

DESCRIPTION: AMOUNT

NEW YORK FIRE INSURANCE FEE \$ 18.19

OFFICE: HARTFORD CT 084

PRODUCER NAME: RAND INSURANCE INC HF609

MP T0 21 01 89 (Page 1 of 1)

EFFECTIVE DATE: 09/10/2019

ISSUE DATE: 09/12/2019

LISTING OF FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS

THIS LISTING SHOWS THE NUMBER OF FORMS, SCHEDULES AND ENDORSEMENTS BY LINE OF BUSINESS

| IL T | 0 19 | 02 | 05 | COMMON POLICY DECLARATIONS |
|-------------|-------|------|----------|--|
| MP T | 0 01 | 02 | 05 | BUSINESSOWNERS COVERAGE PART DECLARATIONS |
| IL T | 8 01 | 01 | 01 | FORMS ENDORSEMENTS AND SCHEDULE NUMBERS |
| IL T | 3 15 | 09 | 07 | COMMON POLICY CONDITIONS |
| | | | | |
| BUSINESSO | WNER | S | | |
| MP T | 0 25 | 02 | 05 | SPECIAL PROVISIONS - LOSS PAYEE |
| CP 1 | 2 18 | 10 | 12 | LOSS PAYABLE PROVISIONS |
| MP T | 1 30 | 02 | 05 | TABLE OF CONTENTS - BUSINESSOWNERS COVERAGE PART - |
| | | | | DELUXE PLAN |
| MP T | 1 02 | 02 | 05 | BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM |
| MP T | 5 30 | 11 | 12 | FUNGUS WET ROT AND DRY ROT CHANGES - NEW YORK |
| MP T | 5 66 | 08 | 15 | RESTAURANT AND PERISHABLE GOODS PREMIER ENDORSEMENT - |
| | | | | NEW YORK |
| MP T | 3 06 | 02 | 07 | SEWER OR DRAIN BACK UP EXTENSION |
| MP T | 3 07 | 03 | 97 | PROTECTIVE SAFEGUARDS ENDORSEMENT FOR SPRINKLERED |
| | | | | LOCATIONS AND RESTAURANTS |
| MP T | | | | FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE |
| MP T | | | | EQUIPMENT BREAKDOWN - SERVICE INTERRUPTION LIMITATION |
| MP T | 3 56 | 02 | 8 0 | AMENDATORY PROVISIONS - GREEN BUILDING AND BUSINESS |
| | | | ~ *** | PERSONAL PROP COV ENHANCEMENTS |
| MP T | | | | SPOILAGE COVERAGE |
| MP T | 5 45 | 01 | 18 | NEW YORK CHANGES |
| governo gra | | | | |
| COMMERCIA | L GE. | NERF | IT TIABI | LEITX |
| CG T | 0 34 | 02 | 19 | TABLE OF CONTENTS - COMMERCIAL GENERAL LIABILITY |
| | | | | COVERAGE FORM CG T1 00 02 19 |
| CG T | 1 00 | 02 | 19 | COMMERCIAL GENERAL LIABILITY COVERAGE FORM |
| CG D | 3 09 | 02 | 19 | AMENDATORY ENDORSEMENT - PRODUCTS-COMPLETED OPERATIONS |
| | | | | HAZARD |
| CG M | 3 01 | 02 | 05 | PRODUCTS/COMPLETED OPERATIONS HAZARDS REDEFINED - |
| | | | | CHANGES |
| CG T | | | | ADDITIONAL INSURED - DESIGNATED PERSON OR ORGANIZATION |
| CG D | - | | | XTEND ENDORSEMENT FOR SMALL BUSINESSES |
| MP T | | | | HIRED AUTO AND NON-OWNED AUTO LIABILITY |
| CG D | | | | AMEND CONTRAL LIAB EXCL - EXC TO NAMED INS |
| CG D | 6 18 | 10 | 11 | EXCLUSION - VIOLATION OF CONSUMER FINANCIAL PROTECTION |
| | | | | LAWS |
| CG D | | | | EXCLUSION - DISCRIMINATION |
| CG T | 3 56 | 07 | 86 | AMENDMENT OF COVERAGE C - MEDICAL PAYMENTS (LIMITED |

PRODUCTS HAZARD INCLUSION)

EFFECTIVE DATE: 09/10/2019

ISSUE DATE: 09/12/2019

COMMERCIAL GENERAL LIABILITY (CONTINUED)

| CG 26 21 10 91 | NEW YORK CHANGES - TRANSFER OF DUTIES WHEN A LIMIT OF |
|----------------|--|
| CG F2 63 02 19 | INSURANCE IS USED UP NEW YORK CHANGES - COMMERCIAL GENERAL LIABILITY |
| CG F9 34 02 19 | COVERAGE FORM AMENDMENT OF DUTIES IN EVENT OF AN OCCURRENCE, |
| | OFFENSE, CLAIM OR SUIT CONDITION |

EMPLOYEE BENEFITS LIABILITY

| CG T0 09 09 93 | EMPLOYEE BENEFITS LIABILITY COVERAGE PART DECLARATIONS |
|----------------|--|
| CG T0 43 01 16 | TABLE OF CONTENTS - EMPLOYEE BENEFITS LIABILITY |
| | COVERAGE FORM |
| CG T1 01 01 16 | EMPLOYEE BENEFITS LIABILITY COVERAGE FORM |
| CG F7 18 08 12 | NEW YORK CHANGES - TRANSFER OF DUTIES WHEN A LIMIT OF |
| | INSURANCE IS USED UP |
| CG T9 14 01 16 | NEW YORK CHANGES - EBL |

EMPLOYMENT PRACTICES LIABILITY

| PR | T0 | 60 | 06 | 17 | EMPL PRACTICES LIAB COVG PART DEC - NY |
|----|----|----|----|----|--|
| PR | T1 | 10 | 04 | 09 | EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM |
| PR | F3 | 41 | 02 | 12 | NEW YORK CHANGES - CANCELLATION AND NONRENEWAL |
| PR | ГЗ | 42 | 01 | 14 | NEW YORK MANDATORY ENDORSEMENT |

MULTIPLE SUBLINE ENDORSEMENTS

CG 01 04 12 04 NEW YORK CHANGES - PREMIUM AUDIT

INTERLINE ENDORSEMENTS

| IL FO 63 05 13 | NEW YORK - EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA |
|----------------|--|
| IL T3 68 01 15 | FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE |
| IL T4 12 03 15 | AMNDT COMMON POLICY COND-PROHIBITED COVG |
| IL T4 14 01 15 | CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM |
| IL 00 23 07 02 | NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD |
| | FORM) |
| IL 01 83 08 08 | NEW YORK CHANGES - FRAUD |
| IL 02 68 01 14 | NEW YORK CHANGES - CANCELLATION AND NONRENEWAL |
| IL F1 01 09 13 | NY CHGS - REFERENCES TO SUPERINTENDENT OF INS, INS |
| IL F0 28 01 99 | DEPT, INS LAW AND REGULATION NO. NOTICE OF CANCELLATION/NONRENEWAL PROVIDED BY US - NEW YORK |

POLICY HOLDER NOTICES

| PN T4 54 01 | 08 IMP | ORTANT | NOTICE | REGARDING | INDEPENDENT | AGENT | AND |
|-------------|--------|---------|----------|-----------|-------------|-------|-----|
| | BRO | KER COM | (PENSAT) | ON | | | |
| PN T5 86 04 | 09 EPL | + - RIS | K MANA | EMENT LET | ГER | | |

EFFECTIVE DATE: 09/10/2019

ISSUE DATE: 09/12/2019

| PN | MΡ | 57 | 04 | 17 | IMP NOT PROT SAFEGUARDS SPRK AND REST |
|----|------------|----|----|----|---|
| PN | T 5 | 74 | 09 | 13 | NOTICE NY HAZARDOUS MATERIALS REPORT |
| PN | T 7 | 72 | 07 | 11 | IMPORTANT NOTICE - EMPLOYMENT PRACTICES LIABILITY |
| | | | | | HOTLINE |
| PN | U2 | 45 | 01 | 16 | NY DISCLOSURE ADDENDUM - EBL |
| PN | MP | 38 | 01 | 11 | IMPORTANT NOTICE - JURISDICTIONAL INSPECTIONS |

IL T8 01 01 01 PAGE: 3 OF 3

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions:

A. CANCELLATION

- The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- 2. We may cancel this policy or any Coverage Part by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
- We will mail or deliver our notice to the first Named Insured's last mailing address known to us
- 4. Notice of cancellation will state the effective date of cancellation. If the policy is cancelled, that date will become the end of the policy period. If a Coverage Part is cancelled, that date will become the end of the policy period as respects that Coverage Part only.
- 5. If this policy or any Coverage Part is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- **6.** If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us as part of this policy.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

- 1. We have the right to:
 - a. Make inspections and surveys at any time;
 - **b.** Give you reports on the conditions we find; and
 - c. Recommend changes.
- 2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
- 3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
- 4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. PREMIUMS

- The first Named Insured shown in the Declarations:
 - a. Is responsible for the payment of all premiums; and
 - **b.** Will be the payee for any return premiums we pay.

2. We compute all premiums for this policy in accordance with our rules, rates, rating plans, premiums and minimum premiums. The premium shown in the Declarations was computed based on rates and rules in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

G. BUSINESSOWNERS COVERAGE PART — REFERENCES TO FORMS AND ENDORSE-MENTS

In some instances, the Common Policy Declarations may list endorsements included in the Businessowners Coverage Part that reference:

- 1. The Commercial Property Coverage Part;
- 2. The Commercial General Liability or Liquor Liability Coverage Part; or

- **3.** Standard Property forms including, but not limited to, the following:
 - a. Building and Personal Property Coverage Form;
 - b. Business Income Coverage Form;
 - c. Commercial Property Conditions;
 - d. Condominium Association Coverage Form;
 - **e.** Condominium Commercial Unit-Owners Coverage Form;
 - f. Causes of Loss Basic Form;
 - g. Causes of Loss Special Form; and
 - h. Causes of Loss Earthquake Form.

Endorsements referencing the Commercial Property Coverage Part or the Standard Property Forms referenced above apply to the Businessowners Property Coverage Special Form in the same manner as they apply to the forms they reference.

Endorsements referencing the Commercial General Liability Coverage Part apply to the Commercial General Liability Coverage Form (included in the Businessowners Coverage Part) in the same manner as they apply to the form they reference.

H. INSURANCE UNDER TWO OR MORE COVER-AGE PARTS

If two or more of this policy's Coverage Parts apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

This policy consists of the Common Policy Declarations and the Coverage Parts and endorsements listed in that declarations form.

In return for payment of the premium, we agree with the Named Insured to provide the insurance afforded by a Coverage Part forming part of this policy. That insurance will be provided by the company indicated as insuring company in the Common Policy Declarations by the abbreviation of its name opposite that Coverage Part.

One of the companies listed below (each a stock company) has executed this policy, and this policy is countersigned by the officers listed below:

The Travelers Indemnity Company (IND)

The Phoenix Insurance Company (PHX)

The Charter Oak Fire Insurance Company (COF)

Travelers Property Casualty Company of America (TIL)

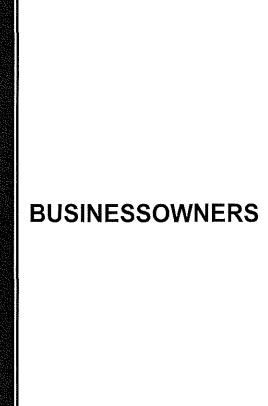
The Travelers Indemnity Company of Connecticut (TCT)

The Travelers Indemnity Company of America (TIA)

Travelers Casualty Insurance Company of America (ACJ)

Wendy C. Shi

President





One Tower Square, Hartford, Connecticut 06183

SPECIAL PROVISIONS:

LOSS PAYEE:

POLICY NO.: 680-9N029386-19-42

ISSUE DATE: 09/12/2019

PREMISES LOCATION NUMBER

BUILDING NUMBER

LOSS PAYEE
NAME AND MAILING ADDRESS

001

001

NEWTEK SMALL BUSINESS FINANCE, LLC ISAOA/ATIMA

ATTN: INSURANCE DEPT

P O BOX 150

NORTHVILLE NY 12134

COMMERCIAL PROPERTY ISSUE DATE: 09/12/2019

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

BUILDERS' RISK COVERAGE FORM
BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
STANDARD PROPERTY POLICY

SCHEDULE

| Location Number: 001 | Building Number: 001 | Applicable Clause (Enter C.1., C.2., C.3. or C.4.): C.1 | | | | | |
|--|-----------------------------------|---|--|--|--|--|--|
| Description Of Property: EQUIPMENT | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Loss Payee Name: NEWTEK S. FINANCE, | MALL BUSINESS LLC ISAOA/ATIMA | | | | | | |
| =0 55 / a j 00 / (aa. 0 55) | INSURANCE DEPT | | | | | | |
| P O BO NORTHV | | 34 | | | | | |
| Location Number: | Building Number: | Applicable Clause | | | | | |
| account runner. | | (Enter C.1., C.2., C.3. or C.4.): | | | | | |
| Description Of Property: | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Loss Payee Name: | | | | | | | |
| • | | | | | | | |
| Loss Payee Address: | | | | | | | |
| | | | | | | | |
| Location Number: | Building Number: | Applicable Clause (Enter C.1., C.2., C.3. or C.4.): | | | | | |
| Description Of Property: | | | | | | | |
| | | | | | | | |
| • | | | | | | | |
| Loss Payee Name: | | | | | | | |
| Loss Payee Address: | | | | | | | |
| | | | | | | | |
| Information required to complete | this Schedule, if not shown above | will be shown in the Declarations | | | | | |

COMMERCIAL PROPERTY

- A. When this endorsement is attached to the Standard Property Policy CP 00 99, the term Coverage Part in this endorsement is replaced by the term Policy.
- B. Nothing in this endorsement increases the applicable Limit of Insurance. We will not pay any Loss Payee more than their financial interest in the Covered Property, and we will not pay more than the applicable Limit of Insurance on the Covered Property.
- **C.** The following is added to the **Loss Payment** Loss Condition, as indicated in the Declarations or in the Schedule:

1. Loss Payable Clause

For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:

- a. Adjust losses with you; and
- Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear

2. Lender's Loss Payable Clause

- a. The Loss Payee shown in the Schedule or in the Declarations is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as:
 - (1) Warehouse receipts;
 - (2) A contract for deed;
 - (3) Bills of lading;
 - (4) Financing statements; or
 - (5) Mortgages, deeds of trust, or security agreements.
- For Covered Property in which both you and a Loss Payee have an insurable interest:
 - (1) We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
 - (2) The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.

- (3) If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:
 - (a) Pays any premium due under this Coverage Part at our request if you have failed to do so;
 - (b) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - (c) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of this Coverage Part will then apply directly to the Loss Payee.

- (4) If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:
 - (a) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
 - (b) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

- **c.** If we cancel this policy, we will give written notice to the Loss Payee at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- **d.** If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

COMMERCIAL PROPERTY

3. Contract Of Sale Clause

- a. The Loss Payee shown in the Schedule or in the Declarations is a person or organization you have entered into a contract with for the sale of Covered Property.
- b. For Covered Property in which both you and the Loss Payee have an insurable interest, we will:
 - (1) Adjust losses with you; and
 - (2) Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.
- c. The following is added to the **Other Insurance** Condition:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

4. Building Owner Loss Payable Clause

- a. The Loss Payee shown in the Schedule or in the Declarations is the owner of the described building in which you are a tenant.
- b. We will adjust losses to the described building with the Loss Payee. Any loss payment made to the Loss Payee will satisfy your claims against us for the owner's property.
- c. We will adjust losses to tenants' improvements and betterments with you, unless the lease provides otherwise.

TABLE OF CONTENTS

BUSINESSOWNERS COVERAGE PART DELUXE PLAN

The following indicates the contents of the principal forms which may be attached to your policy. It contains no reference to the Declarations or Endorsements which also may be attached.

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM MP T1 02

Beginning on Page

| COVERAGE | 1 |
|---|--|
| Covered Property | 2 2 3 4 |
| EXCLUSIONS | . 22 |
| LIMITS OF INSURANCE | 26 |
| Inflation GuardBusiness Personal Property Limit — Seasonal Increase | |
| DEDUCTIBLES | 27 |
| PROPERTY LOSS CONDITIONS | 27 |
| Abandonment | 27 27 28 31 |
| Noncumulative Limit | 32 |
| Concealment, Misrepresentation or Fraud Control of Property Insurance Under Two or More Coverages Legal Action Against Us Liberalization No Benefit to Bailee Other Insurance Policy Period, Coverage Territory Transfer of Rights of Recovery Against Others to Us Coinsurance Mortgageholders | 32 33 33 33 33 33 33 33 34 |
| PROPERTY DEFINITIONS | 35 |

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Paragraph G – PROP-ERTY DEFINITIONS.

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from a Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Form, means the type of property described in this Paragraph A.1., and limited in Paragraph A.2., Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

- a. Building, meaning the building or structure described in the Declarations, including:
 - (1) Completed additions;
 - (2) Fences;
 - (3) Fixtures, including outdoor fixtures;
 - (4) Retaining walls, whether or not attached;
 - (5) Permanently attached:
 - (a) Machinery; and
 - (b) Equipment;
 - (6) Outdoor swimming pools;
 - (7) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings;
 - (d) Lobby and hallway furnishings:
 - (e) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

- (f) Lawn maintenance and snow removal equipment; and
- (g) Alarm systems; and
- (8) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the building or structure; and
 - (b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the described premises, used for making additions, alterations or repairs to the building or structure.
- b. Business Personal Property located in or on the buildings described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises, including:
 - (1) Property owned by you and used in your business;
 - (2) Property of others that is in your care, custody or control;
 - (3) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you rent, lease or occupy but do not own; and
 - (b) You acquired or made at your expense but are not permitted to remove; and
 - (4) "Money" and "Securities".

2. Property Not Covered

Unless the following is added by endorsement to this Coverage Form, Covered Property does not include:

- a. Aircraft;
- b. Automobiles held for sale;
- **c.** Vehicles or self-propelled machines that are:
 - (1) Licensed for use on public roads; or
 - (2) Operated principally away from the described premises;

This paragraph does not apply to:

- Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
- (2) Vehicles or self-propelled machines, other than autos, you hold for sale; or
- (3) Trailers or semi-trailers, except as provided in the Non-Owned Detached Trailers Coverage Extension.
- d. Dams or dikes;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavating, grading, backfilling or filling (except those costs made necessary due to repair of buildings insured under this Coverage Form from a Covered Cause of Loss), reclaiming or restoring land or water;
- g. Water or land whether in its natural state or otherwise (including land on which the property is located), land improvements, growing crops or standing timber;
- h. Outdoor trees, shrubs, plants and lawns, other than "stock" except as provided in the Outdoor Trees, Shrubs, Plants and Lawns Coverage Extension.
- i. The following property while outside of the buildings:
 - Bridges, walks, roadways, patios or other paved surfaces; or
 - (2) Outdoor radio or television antennas, (including satellite dishes) and including their lead-in wiring, masts or towers;

except as provided in the Outdoor Property Coverage Extension;

- j. Watercraft (including motors, equipment and accessories) while afloat;
- Accounts and bills, except as provided in the Accounts Receivable Coverage Extension;

- "Valuable Papers and Records", except as provided in the Valuable Papers and Records Coverage Extension;
- m. Property that is covered under another Coverage Form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- "Fine Arts" except as provided in the Fine Arts Additional Coverage;
- Bullion, gold, silver, platinum and other precious alloys or metals, except if they are used in your "operations" (theft limitation applies);
- p. "Electronic Data Processing Equipment" (not including "stock") except as provided in the Electronic Data Processing Coverage Extension;
- q. "Electronic Data Processing Data and Media" (not including "stock") except as provided in the Electronic Data Processing Coverage Extension or in the Accounts Receivable Coverage Extension; or
- r. Outdoor signs, except as provided in the Signs Coverage Extension.

3. Business Income and Extra Expense

Business Income and Extra Expense is provided at the premises described in the Declarations when the Declarations show that you have coverage for Business Income and Extra Expense.

a. Business Income

- (1) Business Income means:
 - (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred, including:
 - (i) "Rental Value"; and
 - (ii) "Maintenance Fees", if you are a condominium association; and
 - (b) Continuing normal operating expenses incurred, including payroll.
- (2) We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be

caused by direct physical loss of or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 1,000 feet of the site at which the described premises are located.

- (3) With respect to the requirements set forth in Paragraph (2) above, if you rent, lease or occupy only part of the site at which the described premises are located, the described premises means:
 - (a) The portion of the building which you rent, lease or occupy; and
 - (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

b. Extra Expense

- (1) Extra Expense means reasonable and necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss of or damage to property caused by or resulting from a Covered Cause of Loss.
- (2) We will pay Extra Expense (other than the expense to repair or replace property) to:
 - (a) Avoid or minimize the "suspension" of business and to continue "operations" at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement premises or temporary locations; or
 - **(b)** Minimize the "suspension" of business if you cannot continue "operations".
- (3) We will also pay Extra Expense (including Expediting Expenses) to repair or replace the property, but only

to the extent it reduces the amount of loss that otherwise would have been payable under Paragraph a. Business Income, above.

c. Extended Business Income

If the necessary "suspension" of your "operations" produces a Business Income loss payable under Paragraph **a.** Business Income above, we will also pay for the actual loss of Business Income you sustain during the period that:

- Begins on the date property is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (2) Ends on the earlier of:
 - (a) The date you could restore your "operations" with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage occurred; or
 - (b) Sixty consecutive days after the date determined in Paragraph (1) above

However, this extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

- d. If the Declarations show for Business Income and Extra Expense:
 - (1) Actual loss for 12 consecutive months, then we will pay for loss of Business Income and Extra Expense that occurs within 12 consecutive months following the date of direct physical loss or damage; or
 - (2) Actual loss up to 12 consecutive months subject to a maximum dollar limit, then we will pay for loss of Business Income and Extra Expense that occurs within 12 consecutive months following the date of direct physical loss or damage, subject to the limit shown in any one occurrence.

4. Covered Causes of Loss

RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

- a. Limited in Paragraph A.5., Limitations; or
- b. Excluded in Paragraph B., Exclusions.

5. Limitations

- a. We will not pay for loss of or damage to:
 - (1) The "interior of any building or structure" or to personal property in the building or structure, caused by rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
 - (2) Steam boilers, steam pipes, steam engines, or steam turbines, caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
 - (3) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than explosion.
- b. We will not pay for loss of or damage to the following types of property unless caused by any of the "specified causes of loss" or building glass breakage:
 - Live animals, birds or fish, and then only if they are killed or their destruction is made necessary.
 - (2) Fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken. This limitation does not apply to:
 - (a) Glass that is part of the exterior or interior of a building or structure;

- (b) Containers of property held for sale; or
- (c) Photographic or scientific instrument lenses.
- c. For loss or damage by "theft", the most we will pay in any one occurrence for the following types of property is:
 - (1) \$2,500 for all furs, fur garments and garments trimmed with fur.
 - (2) \$5,000 for all jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$500 or less per item.
 - (3) \$2,500 for all patterns, dies, molds and forms.
- d. We will not pay for any loss or damage caused by any of the following, even if they are Covered Causes of Loss, if the building where loss or damage occurs has been "vacant" for more than 60 consecutive days before that loss or damage occurs:
 - (1) Vandalism;
 - (2) Sprinkler Leakage, unless you have protected the system against freezing;
 - (3) Building glass breakage;
 - (4) Discharge or leakage of water;
 - (5) "Theft"; or
 - (6) Attempted "theft".

With respect to Covered Causes of Loss other than those listed in Paragraphs (1) through (6) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

e. Coverage for Business Income and Extra Expense does not apply to any loss or increase in loss caused by direct physical loss of or damage to "Electronic Data Processing Data and Media", except as provided in the Interruption of Computer Operations Coverage Extension.

6. Additional Coverages

Unless otherwise stated, payments made under the following Additional Coverages are in addition to the applicable Limits of Insurance.

a. Arson and Theft Reward

- (1) We will pay for reasonable expenses you incur for rewards that lead to:
 - (a) An arson conviction in connection with a covered fire or explosion loss, or
 - (b) A "theft" conviction in connection with a covered "theft" loss.
- (2) The most we will pay under this Additional Coverage in connection with a particular loss is \$5,000.

b. Claim Data Expense

- (1) We will pay the reasonable expenses you incur in preparing claim data when we require such data to show the extent of loss. This includes the cost of taking inventories, making appraisals, preparing income statements, and preparing other documentation.
- (2) Under this Additional Coverage, we will not pay for:
 - (a) Any expenses incurred, directed, or billed by or payable to attorneys, insurance adjusters or their associates or subsidiaries;
 - (b) Any costs in connection with Paragraph E.2., Appraisal; or
 - (c) Any expenses incurred, directed, or billed by or payable to insurance brokers or agents, or their associates or subsidiaries, without our written consent prior to such expenses being incurred.
- (3) The most we will pay for preparation of claim data under this Additional Coverage in any one occurrence is \$5,000 regardless of the number of premises involved.

c. Debris Removal

(1) We will pay your expense to remove debris of Covered Property, other than outdoor trees, shrubs, plants and lawns as described in the Outdoor Trees, Shrubs, Plants and Lawns Coverage Extension, caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writ-

- ing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
 - (a) Extract "pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.
- (3) Except as provided in Paragraph (4) below, payment for Debris Removal is included within the applicable Limit of Insurance shown in the Declarations. The most we will pay under this Additional Coverage is 25% of:
 - (a) The amount we pay for the direct physical loss or damage to Covered Property; plus
 - (b) The deductible in this Coverage Form applicable to that loss or damage.
- (4) When the debris removal expense exceeds the 25% limitation in Paragraph (3) above or when the sum of the debris removal expense and the amount we pay for the direct physical loss of or damage to Covered Property exceeds the applicable Limit of Insurance, we will pay up to an additional \$25,000 for debris removal expense in any one occurrence, at each described premises.

d. Employee Dishonesty

- (1) We will pay for loss of or damage to Covered Property resulting directly from "employee dishonesty".
 - We will pay for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates year to year or period to period.
- (2) Paragraphs B.2.h. and B.2.o. do not apply to this Additional Coverage.
- (3) We will not pay for loss resulting from the dishonest acts of any "employee" if coverage for that "employee" was either cancelled or excluded from any previous insurance policy of yours

- providing "employee dishonesty" coverage.
- (4) This Additional Coverage is cancelled as to any "employee" immediately upon discovery by:
 - (a) You; or
 - (b) Any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the "employee",

of any fraudulent dishonest act committed by that "employee" before or after being employed by you.

- (5) We will pay for covered loss or damage only if discovered no later than one year from the end of the Policy Period.
- (6) The most we will pay for loss or damage under this Additional Coverage in any one occurrence is \$25,000.
- (7) With respect to this Additional Coverage, occurrence means all loss or damage caused by or involving the same "employee(s)" whether the result of a single act or series of acts.
- (8) If, during the period of any prior "Employee Dishonesty" insurance, you (or any predecessor in interest) sustained loss or damage that you could have recovered under that insurance, except that the time within which to discover loss or damage has expired, we will pay for it under this Additional Coverage, subject to the following:
 - (a) This insurance became effective at the time of cancellation or termination of the prior insurance;
 and
 - (b) The loss or damage would have been covered by this insurance had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- (9) The insurance provided under Paragraph (8) above is part of, not in addition to the Limit of Insurance described in Paragraph (6) above and is limited to the lesser of the amount recoverable under:

- (a) This Additional Coverage, as of its effective date; or
- (b) The prior "Employee Dishonesty" insurance, had it remained in effect.

e. Expediting Expenses

- (1) In the event of direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss, we will pay for the reasonable and necessary additional expenses you incur to make temporary repairs, expedite permanent repairs, or expedite permanent replacement, at the premises sustaining loss or damage. Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation. Expediting expenses do not include expenses you incur for the temporary rental of property or temporary replacement of damaged property.
- (2) With respect to this Additional Coverage, "breakdown" to "covered equipment" will not be considered a Covered Cause of Loss, even if otherwise covered elsewhere in this Coverage Form.
- (3) The most we will pay under this Additional Coverage in any one occurrence is \$25,000, regardless of the number of premises involved.

f. Fine Arts

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at any described premises, we will pay for direct physical loss of or damage to "fine arts" which are owned by:
 - (a) You; or
 - (b) Others and in your care, custody, or control;

caused by or resulting from a Covered Cause of Loss, including while on exhibit, anywhere within the Coverage Territory.

(2) The breakage limitation under Paragraph A.5.b.(2) does not apply to this Additional Coverage.

- (3) The following exclusions apply to this Additional Coverage:
 - (a) We will not pay for loss or damage caused by or resulting from wear and tear, any quality in the property that causes it to damage or destroy itself, gradual deterioration, insects, birds, rodents or other animals;
 - (b) We will not pay for loss or damage caused by or resulting from dampness or dryness of atmosphere, or changes in or extremes of temperature;
 - (c) We will not pay for loss or damage caused by or resulting from any repairing, restoration or retouching process;
 - (d) We will not pay for loss or damage caused by or resulting from faulty packing;
 - (e) Paragraph B.1.b. Earth Movement;
 - (f) Paragraph **B.1.c.** Governmental Action;
 - (g) Paragraph B.1.d. Nuclear Hazard;
 - (h) Paragraph B.1.f. War and Military Action;
 - (i) Paragraph B.1.g. Water;
 - (j) Paragraph B.1.h. Neglect; and
 - (k) Paragraph B.2.g.

No other exclusions in Paragraph B. Exclusions apply to this Additional Coverage. However, if any exclusions are added by endorsement to this Coverage Form, such exclusions will apply to this Additional Coverage.

(4) The most we pay for loss or damage under this Additional Coverage in any one occurrence is \$25,000, or the amount shown in the Declarations for "fine arts", whichever is greater. This limit applies regardless of the number of premises involved.

g. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000 in any one occurrence for your

liability for fire department service charges:

- Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

h. Fire Protective Equipment Discharge

- (1) If fire protective equipment discharges accidentally or to control a Covered Cause of Loss we will pay your cost to:
 - (a) Refill or recharge the system with the extinguishing agents that were discharged; and
 - (b) Replace or repair faulty valves or controls which caused the discharge.
- (2) The most we will pay under this Additional Coverage in any one occurrence is \$10,000, regardless of the number of premises involved.

i. Forgery or Alteration

(1) We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in money that are made or drawn by or drawn upon you, or made or drawn by one acting as an agent or purported to have been so made or drawn.

We will consider signatures that are produced or reproduced electronically, mechanically or by facsimile the same as handwritten signatures.

We will pay for loss that you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

(2) We will not pay for loss resulting from any dishonest or criminal acts committed by you or any of your partners, "employees", "members", "managers", officers, directors or trustees whether acting alone or in collusion with other persons.

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- (3) We will pay for covered loss discovered no later than one year from the end of the Policy Period.
- (4) The most we will pay for loss under this Additional Coverage in any one occurrence is \$25,000, regardless of the number of premises involved.
- (5) With respect to this Additional Coverage, occurrence means all loss caused by any person, or in which that person is concerned or implicated, either resulting from a single act or any number of such acts, whether the loss involves one or more instruments.
- (6) If, during the period of any prior Forgery or Alteration insurance, you (or any predecessor in interest) sustained loss or damage that you could have recovered under that insurance, except that the time within which to discover loss or damage has expired, we will pay for it under this Additional Coverage provided:
 - (a) This insurance became effective at the time of cancellation or termination of the prior insurance; and
 - (b) The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.
- (7) The insurance provided under Paragraph (6) above is part of, and not in addition to the limit described in Paragraph (4) above and is limited to the lesser of the amount recoverable under:
 - (a) This Additional Coverage up to the applicable Limit of Insurance under this Coverage Form, as of its effective date; or
 - (b) The prior Forgery or Alteration insurance, had it remained in effect.
- (8) If you are sued for refusing to pay any covered instrument described in Paragraph (1) above on the basis that it has been forged or altered, and you have our written consent to de-

fend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount we will pay for these legal expenses will be part of and not in addition to the limit described in Paragraph (4) above.

j. Newly Acquired or Constructed Property

(1) Buildings

- (a) We will pay for direct physical loss of or damage to the following property caused by or resulting from a Covered Cause of Loss:
 - (i) Your:
 - a) New buildings while being built on a premises shown in the Declarations;
 - b) New buildings while being built on newly acquired premises; and
 - c) Materials, equipment, supplies and temporary structures used in connection with such buildings while they are being built; or
 - (ii) Buildings you acquire by purchase or lease at any premises, including those premises shown in the Declarations.
- (b) The most we will pay for loss of or damage to newly constructed buildings or newly acquired buildings under this Additional Coverage in any one occurrence is \$500,000 at each premises.

(2) Business Personal Property

- (a) When a Limit of Insurance is shown in the Declarations for Business Personal Property at any described premises, we will pay for direct physical loss of or damage to the following property caused by or resulting from a Covered Cause of Loss:
 - (i) Business Personal Property, including such property that you newly acquire, at a build-

- ing you acquire by purchase or lease at any premises, including those premises shown in the Declarations; and
- (ii) Business Personal Property that you newly acquire at a described premises.
- (b) The most we will pay for loss of or damage to Business Personal Property under this Additional Coverage in any one occurrence is \$250,000 at each premises.

(3) Period Of Coverage

- (a) With respect to insurance under this Additional Coverage, coverage will end when any of the following first occurs:
 - (i) This policy expires;
 - (ii) 180 days expire after you acquire the property or begin to construct the property;
 - (iii) You report values to us; or
 - (iv) The property is more specifically insured.
- (b) We will charge you additional premium for values reported to us from the date construction begins or you acquire the property.

k. Ordinance or Law

- (1) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay for:
 - (a) Loss in value of the undamaged portion of the building as a consequence of enforcement of the minimum requirements of any ordinance or law that requires the demolition of undamaged parts of the same building;
 - (b) Demolition cost, meaning the cost to demolish and clear the site of undamaged parts of the same building as a consequence of enforcement of the minimum requirements of any ordinance or law that required demolition of such undamaged property; and
 - (c) The increased cost of construction, meaning the increased cost to repair, rebuild or construct the

property as a consequence of enforcement of the minimum requirements of any ordinance or law. This increased cost of construction coverage applies only if:

- (i) The building is insured for replacement cost;
- (ii) The building is repaired, rebuilt or reconstructed; and
- (iii) The repaired, rebuilt or reconstructed building is intended for similar occupancy as the current building, unless otherwise required by zoning or land use ordinance or law.
- (2) The ordinance or law referred to in this Additional Coverage is an ordinance or Law that:
 - (a) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
 - (b) Is in force at the time of the loss.
- (3) We will not pay under this Additional Coverage for:
 - (a) Loss due to any ordinance or law that:
 - You were required to comply with before the loss, even if the building was undamaged; and
 - (ii) You failed to comply with; or
 - (b) Costs associated with the enforcement of any ordinance or law that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
- (4) Paragraph B.1.a. does not apply to this Additional Coverage.
- (5) Subject to the limit described in Paragraph (6) below:
 - (a) The insurance provided under this Additional Coverage for loss in value to the undamaged portion of the building is limited as follows:

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- (i) If Replacement Cost Coverage applies and the building is repaired or replaced on the same or another premises, we will not pay more than the lesser of:
 - a) The amount you actually spend to repair, rebuild or reconstruct the undamaged portion of the building; or
 - b) The amount it would cost to restore the undamaged portion of the building on the same premises and to the same height, floor area, style and comparable quality of the original undamaged portion of the building; or
- (ii) If Replacement Cost Coverage applies and the building is not repaired or replaced, or if Replacement Cost Coverage does not apply, we will not pay more than the actual cash value of the undamaged portion of the building at the time of loss.
- (b) We will not pay more for demolition costs than the amount you actually spend to demolish and clear the site of the described premises.
- (c) The insurance provided under this Additional Coverage for increased cost of construction is limited as follows:
 - (i) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay is the increased cost of construction at the same premises; or
 - (ii) If the ordinance or law requires relocation to another premises, the most we will pay is the increased cost of construction at the new premises.

- (6) The most we will pay for loss under this Additional Coverage for the total of all coverages described in Paragraph (1) above in any one occurrence is \$25,000 at each described premises.
- I. Outdoor Trees, Shrubs, Plants and Lawns
 - (1) We will pay for direct physical loss of or damage to outdoor trees, shrubs, plants (other than "stock" of trees, shrubs or plants) and lawns located at the described premises caused by or resulting from a Covered Cause of Loss.
 - (2) The most we will pay for loss or damage under this Additional Coverage in any one occurrence is \$3,000 at each described premises.
 - (3) Debris removal, because of covered loss or damage to outdoor trees, shrubs, plants and lawns, is included within the limits described in Paragraph (2) above.

m. Pollutant Cleanup and Removal

- (1) We will pay your necessary and reasonable expense to extract "pollutants" from land or water at the described premises, if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a "specified cause of loss" which occurs:
 - (a) At the described premises;
 - (b) To Covered Property; and
 - (c) During the policy period.
- (2) The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the "specified cause of loss" occurs.
- (3) This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.
- (4) The most we will pay under this Additional Coverage is \$25,000 for the sum of all covered expenses arising

out of all Covered Causes of Loss occurring during each separate 12 month period of this policy beginning with the effective date of this policy. This amount applies regardless of the number of premises involved.

n. Preservation of Property

- (1) If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for:
 - (a) Any direct physical loss of or damage to such property while:
 - (i) Being moved; or
 - (ii) Temporarily stored at another location only if the loss or damage occurs within 90 days after the property is first moved; and
 - (b) The costs incurred to:
 - (i) Remove such property from the described premises; and
 - (ii) Return such property to the described premises.
- (2) Coverage under this Additional Coverage will end when any of the following first occurs:
 - (a) When the policy is amended to provide insurance at the new location;
 - **(b)** The property is returned to the original described premises;
 - (c) 90 days expire after the property is first moved; or
 - (d) This policy expires.
- (3) Payments under this Additional Coverage are subject to and not in addition to the applicable Limit of Insurance.

o. Temporary Relocation of Property

(1) If Covered Property is removed from the described premises and stored temporarily at a location you own, lease or operate while the described premises is being renovated or remodeled, we will pay for direct physical loss of or damage to that stored property:

- (a) Caused by or resulting from a Covered Cause of Loss;
- (b) Up to \$50,000 at each temporary location in any one occurrence; and
- (c) During the storage period of up to 90 consecutive days but not beyond expiration of this policy.
- (2) This Additional Coverage does not apply if the stored property is more specifically insured.

Water Damage, Other Liquids, Powder or Molten Material Damage

- (1) If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.
- (2) We will not pay the cost to repair any defect to a system or appliance from which the water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:
 - (a) Results in discharge of any substance from an automatic fire protection system; or
 - (b) Is directly caused by freezing.
- (3) Payments under this Additional Coverage are subject to and not in addition to the applicable Limit of Insurance.

7. Coverage Extensions

Unless otherwise stated, payments made under the following Coverage Extensions are subject to and not in addition to the applicable Limits of Insurance.

a. Accounts Receivable

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to loss, as described in Paragraph (2) below, due to direct physical loss of or damage to your

records of accounts receivable (including those on electronic data processing media) caused by or resulting from a Covered Cause of Loss. Credit card company media will be considered accounts receivable until delivered to the credit card company.

- (2) We will pay for:
 - (a) All amounts due from your customers that you are unable to collect:
 - (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
 - (c) Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and
 - (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable.
- (3) The following exclusions apply to this Coverage Extension:
 - (a) We will not pay for loss caused by or resulting from bookkeeping, accounting or billing errors or omissions;
 - (b) We will not pay for loss that requires an audit of records or any inventory computation to prove its factual existence;
 - (c) We will not pay for loss caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property. But this exclusion applies only to the extent of the wrongful giving, taking or withholding;
 - (d) Paragraph **B.1.b**. Earth Movement;
 - (e) Paragraph B.1.c. Governmental Action;
 - (f) Paragraph B.1.d. Nuclear Hazard;

- (g) Paragraph B.1.f. War and Military Action;
- (h) Paragraph B.1.g. Water;
- (i) Paragraph B.1.h. Neglect; and
- (j) Paragraph B.2.g.

No other exclusions in Paragraph B. Exclusions apply to this Coverage Extension. However, if any exclusions are added by endorsement to this Coverage Form, such exclusions will apply to this Coverage Extension.

- (4) The most we will pay under this Coverage Extension for loss of or damage to records of accounts receivable in any one occurrence while in transit or at a premises other than the described premises is \$25,000.
- (5) The most we will pay under this Coverage Extension for loss of or damage to records of accounts receivable in any one occurrence at each described premises is \$25,000 or the amount shown in the Declarations for Accounts Receivable, whichever is greater.
- (6) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

b. Appurtenant Buildings and Structures

- (1) When a Limit of Insurance is shown in the Declarations for Building at the described premises, you may extend that insurance to apply to direct physical loss of or damage to incidental appurtenant buildings or structures, within 1,000 feet of that described premises, caused by or resulting from a Covered Cause of Loss.
- (2) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to Business Personal Property within incidental appurtenant buildings or structures within 1,000 feet of that described premises, caused by or resulting from a Covered Cause of Loss.

- (3) Incidental appurtenant buildings or structures include:
 - (a) Storage buildings;
 - (b) Carports;
 - (c) Garages;
 - (d) Pump houses; or
 - (e) Above ground tanks;

which have not been specifically described in the Declarations.

- (4) The most we will pay for loss or damage under this Coverage Extension in any one occurrence for any combination of loss of or damage to Building and Business Personal Property is \$50,000, regardless of the number of described premises involved.
- (5) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

c. Building Glass

- (1) If:
 - (a) You are the building owner; and
 - (b) A Limit of Insurance is shown in the Declarations for Building at the described premises;

you may extend that insurance to apply to direct physical loss of or damage to all exterior and interior building glass caused by or resulting from a Covered Cause of Loss, including glass breakage and damage to glass by chemicals accidentally or maliciously applied to glass.

- (2) If:
 - (a) You are a tenant;
 - (b) A Limit of Insurance is shown in the Declarations for Building or Business Personal Property at the described premises; and
 - (c) You are contractually obligated to repair or replace building glass at the described premises;

you may extend that insurance to apply to direct physical loss of or damage to all exterior and interior building glass caused by or resulting from a Covered Cause of Loss, including glass breakage and damage to glass

- by chemicals accidentally or maliciously applied to glass.
- (3) We will also pay for necessary expenses in connection with loss or damage covered in Paragraphs (1) or (2) above, incurred by you to:
 - (a) Put up temporary plates or board up openings;
 - (b) Repair or replace encasing frames; and
 - (c) Remove or replace obstructions.
- (4) The following exclusions apply to this Coverage Extension:
 - (a) We will not pay for loss or damage caused by or resulting from:
 - (i) Wear and tear;
 - (ii) Hidden or latent defect;
 - (iii) Corrosion; or
 - (iv) Rust;
 - (b) Paragraph B.1.b. Earth Movement;
 - (c) Paragraph **B.1.c.** Governmental Action;
 - (d) Paragraph B.1.d. Nuclear Hazard:
 - (e) Paragraph B.1.f. War and Military Action; and
 - (f) Paragraph B.1.g. Water.

No other exclusions in Paragraph B. Exclusions apply to this Coverage Extension. However, if any exclusions are added by endorsement to this Coverage Form, such exclusions will apply to this Coverage Extension.

d. Business Income and Extra Expense From Dependent Property

(1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur due to the "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage at the premises of a Dependent Property, caused

- by or resulting from a Covered Cause of Loss.
- (2) Dependent Property means property operated by others whom you depend on to:
 - (a) Deliver materials or services (other than "water supply services", "communication supply services" or "power supply services") to you, or to others for your account (Contributing Locations);
 - (b) Accept your products or services (Recipient Locations);
 - (c) Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or
 - (d) Attract customers to your business (Leader Locations).
- (3) With respect to this Coverage Extension, the "period of restoration":
 - (a) Begins 24 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the Dependent Property;
 - (b) Ends on the date when the property at the premises of the Dependent Property should be repaired, rebuilt or replaced with reasonable speed and similar quality; and
 - (c) Does not include any increased period required due to the enforcement of any ordinance or law that:
 - (i) Regulates the construction, use or repair, or requires the tearing down of any property; or
 - (ii) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

- (4) This Coverage Extension:
 - (a) Applies to Dependent Property premises located within the Coverage Territory; and
 - (b) Does not apply when you have more specific insurance under any other policy.
- (5) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operations" in whole or in part, by using any other available:
 - (a) Source of materials; or
 - (b) Outlet for your products.
- (6) The most we will pay for Business Income and Extra Expense under this Coverage Extension in any one occurrence is \$10,000, regardless of the number of described premises or number of Dependent Properties involved.
- (7) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

e. Business Income and Extra Expense – Newly Acquired Premises

- (1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur due to the "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage caused by or resulting from a Covered Cause of Loss at any premises you newly acquire by purchase or lease (other than at fairs, trade shows or exhibitions).
- (2) The most we will pay under this Coverage Extension for the sum of Business Income and Extra Expense you incur in any one occurrence is \$250,000 at each newly acquired premises.
- (3) Insurance under this Coverage Extension for each newly acquired

premises will end when any of the following first occurs:

- (a) This policy expires;
- (b) 90 days expire after you acquire that premises;
- (c) You report that premises to us; or
- (d) The Business Income or Extra Expense is more specifically insured.

We will charge you additional premium for premises reported from the date you acquire that premises.

(4) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

f. Business Personal Property Off Premises

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to such property caused by or resulting from a Covered Cause of Loss while:
 - (a) In the course of transit to or from the described premises; or
 - (b) Temporarily away from the described premises, and:
 - (i) At a premises you do not own, lease or operate; or
 - (ii) At any fair, trade show or exhibition at a premises you do not own or regularly occupy.
- (2) This Coverage Extension does not apply to property:
 - (a) While in the custody of the United States Postal Service;
 - (b) Rented or leased to others;
 - (c) After delivery to customers;
 - (d) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition;
 - (e) Temporarily at a premises for more than 60 consecutive days, except "money" and "securities" at a "banking premises";

- (f) Otherwise covered under the Fine Arts Additional Coverage; or
- (g) Otherwise covered under the following Coverage Extensions:
 - (i) Accounts Receivable;
 - (ii) Electronic Data Processing;
 - (iii) Personal Effects; or
 - (iv) Valuable Papers and Records.

g. Civil Authority

- (1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur caused by action of civil authority that prohibits access to the described premises. The civil authority action must be due to direct physical loss of or damage to property at locations, other than described premises, that are within 100 miles of the described premises, caused by or resulting from a Covered Cause of Loss.
- (2) The coverage for Business Income will begin 24 hours after the time of that action and will apply for a period of three consecutive weeks after coverage begins.
- (3) The coverage for Extra Expense will begin immediately after the time of that action and will end when your Business Income coverage ends for this Coverage Extension.

h. Electronic Data Processing

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to "Electronic Data Processing Equipment" and to "Electronic Data Processing Data and Media", caused by or resulting from a Covered Cause of Loss.
- (2) Worldwide coverage is provided under this Coverage Extension. The coverage territory as described in

- Paragraph **F.8.b.** does not apply to this Coverage Extension.
- (3) This Coverage Extension does not apply to:
 - (a) "Stock"; or
 - (b) Property that is leased or rented to others.
- (4) The following exclusions as described in Paragraph B. Exclusions do not apply to this Coverage Extension:
 - (a) Paragraph 1.e. Utility Services;
 - (b) Paragraph 2.a.; or
 - (c) Paragraph 2.d.(6).
- (5) The following additional exclusions apply to this Coverage Extension:
 - (a) We will not pay for loss or damage caused by or resulting from any of the following:
 - (i) Programming errors, omissions or incorrect instructions to a machine. But if programming errors, omissions or incorrect instructions to a machine results in a "specified cause of loss" or mechanical breakdown of "Elec-Data tronic Processing Equipment", we will pay for the loss or damage caused by that "specified cause of loss" or mechanical breakdown of "Electronic Data Processing Equipment";
 - (ii) Unauthorized viewing, copying or use of "Electronic Data Processing Data and Media" (or any proprietary or confidential information or intellectual property) by any person, even if such activity is characterized as "theft";
 - (iii) Errors or deficiency in design, installation, maintenance, repair or modification of your computer systems or any computer system or network to which your system is connected or on which your system depends (including electronic data). But if errors or

- deficiency in design, installation, maintenance, repair or modification of your computer system or any computer system or network to which your system is connected or on which your system depends (including electronic data) results in a "specified cause of loss" or mechanical breakdown of "Electronic Data Processing Equipment", we will pay for the loss or damage caused by that "specified cause of loss" or mechanical breakdown of "Electronic Data Processing Equipment";
- (iv) Unexplained or indeterminable failure, malfunction or slowdown of a computer system, including "Electronic Data Processing Data and Media" or the inability to access or properly manipulate "Electronic Data Processing Data and Media"; or
- (v) "Electronic Vandalism" except as provided in Paragraph (9) below.
- (6) The most we will pay under this Coverage Extension for loss of or damage to "Electronic Data Processing Equipment" and to "Electronic Data Processing Data and Media", while in transit or at a premises other than the described premises, in any one occurrence, is \$25,000.
- (7) The most we will pay under this Coverage Extension for loss of or damage to duplicates of your "Electronic Data Processing Data and Media" while stored at a separate premises from where your original "Electronic Data Processing Data and Media" are kept, in any one occurrence, is \$25,000.
- (8) The most we will pay under this Coverage Extension for loss or damage to "Electronic Data Processing Equipment", including such property you newly acquire in any one occurrence is \$25,000 at each newly acquired premises. With respect to insurance

under this Coverage Extension on newly acquired "Electronic Data Processing Equipment", coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 180 days expire after you acquire the "Electronic Data Processing Equipment"; or
- (c) You report values to us.
- (9) The most we will pay under this Coverage Extension for loss of or damage to "Electronic Data Processing Data and Media" caused by or resulting from "electronic vandalism", in any one occurrence is \$25,000, regardless of the number of the number of premises involved. Such limit also applies to any otherwise covered loss of Business Income or Extra Expense.
- (10) The most we will pay under this Coverage Extension for loss of or damage to "Electronic Data Processing Equipment" and to "Electronic Data Processing Data and Media", at the described premises, in any one occurrence, is the Limit of Insurance shown in the Declarations for Business Personal Property at such premises or \$50,000, whichever is less.

Equipment Breakdown

(1) When a Limit of Insurance is shown in the Declarations for Building or Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to Covered Property at the described premises caused by or resulting from a "breakdown" to "covered equipment".

With respect to otherwise covered Business Income and Extra Expense, "breakdown" to "covered equipment" will be considered a Covered Cause of Loss.

If an initial "breakdown" causes other "breakdowns", all will be considered one "breakdown". All "breakdowns" that manifest themselves at the same

time and are the result of the same cause will also be considered one "breakdown".

- (2) Under this Coverage Extension, the following coverages also apply:
 - (a) Expediting Expenses
 - (i) In the event of direct physical loss of or damage to Covered Property caused by or resulting from a "breakdown" to "covered equipment", we will pay for the reasonable additional expenses you necessarily incur to make temporary repairs to, or expedite the permanent repair or replacement of, the lost or damaged Covered Property.
 - (ii) Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation.
 - (iii) The most we will pay under this Coverage Extension for all Expediting Expenses arising out of any one "breakdown" is \$25,000. This limit is part of and not in addition to the Limit of Insurance that applies to lost or damaged Covered Property.
 - (b) "Pollutants"
 - (i) In the event of direct physical loss of or damage to Covered Property caused by or resulting from a "breakdown" to "covered equipment", we will pay for the additional cost to repair or replace Covered Property because of contamination by "pollutants". This includes the additional expenses to clean up or dispose of such property. Additional costs mean those bevond what would have been required had no "pollutants" been involved.
 - (ii) The most we will pay under this Coverage Extension for loss or damage to Covered Property caused by contamination by "pollutants" arising

out of any one "breakdown" is \$25,000. This limit is subject to and not in addition to the Limit of Insurance that applies to lost or damaged Covered Property.

(c) Service Interruption

When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to loss caused by or resulting from a "breakdown" to equipment that is owned, operated or controlled by a local public or private utility or distributor that directly generates, transmits, distributes or provides the following utility services:

- (i) "Water Supply Services";
- (ii) "Communication Supply Services"; or
- (iii) "Power Supply Services".
- (3) We will not pay under this Coverage Extension for loss or damage caused by or resulting from any of the following tests:
 - (a) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or
 - (b) An insulation breakdown test of any type of electrical equipment.
- (4) We will not pay under this Coverage Extension for loss or damage caused by or resulting from a change in:
 - (a) Temperature; or
 - (b) Humidity;

as a consequence of "breakdown" to "covered equipment".

- (5) The following limitations in Paragraph A.5. do not apply to this Coverage Extension:
 - (a) Paragraph a.(2); and
 - (b) Paragraph a.(3).
- (6) The following exclusions in Paragraph B. Exclusions do not apply to this Coverage Extension:
 - (a) Paragraph 2.a.;
 - (b) Paragraph 2.d.(6); and

- (c) Paragraph 2.e.
- (7) With respect to this Coverage Extension, the following condition is added to Paragraph F. Commercial Property Conditions:

Suspension

If any "covered equipment" is found to be in, or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance provided by this Coverage Form for loss or damage caused by or resulting from a "breakdown" to that "covered equipment". This can be done by delivering or mailing a notice of suspension to:

- 1. Your last known address; or
- 2. The address where the "covered equipment" is located.

Once suspended in this way, such insurance can only be reinstated by a written endorsement issued by us. If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment". But the suspension will be effective even if we have not yet made or offered a refund.

- (8) The most we will pay under this Coverage Extension for all direct physical loss of or damage to:
 - (a) "Diagnostic Equipment";
 - (b) "Power Generating Equipment"; or
 - (c) "Production Equipment"; caused by or resulting from a "breakdown" to "covered equipment" in any one occurrence is \$100,000.

j. Interruption of Computer Operations

(1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to a "suspension" of "operations" caused by an interruption of computer operations due to direct physical loss of or damage to "Electronic Data Processing Data and Media" at the described premises caused by or resulting from a Covered Cause of Loss.

- (2) The most we will pay under this Coverage Extension is \$25,000 for the sum of all covered interruptions arising out of all Covered Causes of Loss occurring during each separate 12 month period of this policy beginning with the effective date of this policy.
- (3) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

k. Money Orders and Counterfeit Paper Currency

When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to loss due to the good faith acceptance of:

- (1) Any U.S. or Canadian post office or express money order, issued or purporting to have been issued by any post office or express company, if the money order is not paid upon presentation; or
- (2) Counterfeit United States or Canadian paper currency;

in exchange for merchandise, "money" or services or as part of a normal business transaction.

I. Non-Owned Detached Trailers

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to trailers or semi-trailers that you do not own, provided that:
 - (a) The trailer or semi-trailer is used in your business;
 - (b) The trailer or semi-trailer is in your care, custody or control at the described premises; and
 - (c) You have a contractual responsibility to pay for loss of or damage to the trailer or semi-trailer.
- (2) We will not pay for loss or damage that occurs:
 - (a) While the trailer or semi-trailer is attached to any motor vehicle or motorized conveyance, whether

- or not the motor vehicle or motorized conveyance is in motion; or
- (b) During hitching or unhitching operations, or when a trailer or semi-trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$5,000 regardless of the number of described premises, trailers or semi-trailers involved.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

m. Ordinance or Law – Increased Period of Restoration

- (1) When:
 - (a) A Covered Cause of Loss occurs to property at the described premises; and
 - (b) The Declarations show that you have coverage for Business Income and Extra Expense;

you may extend that insurance to apply to the amount of actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur during the increased period of "suspension" of "operations" caused by or resulting from the enforcement of any ordinance or law that:

- (a) Regulates the construction, repair or replacement of any property;
- (b) Requires the tearing down or replacement of any parts of property not damaged by a Covered Cause of Loss; and
- (c) Is in force at the time of loss.
- (2) This Coverage Extension applies only to the period that would be required, with reasonable speed, to reconstruct, repair or replace the property to comply with the minimum requirements of the ordinance or law.
- (3) This Coverage Extension does not apply to:

- (a) Loss due to an ordinance or law that:
 - (i) You were required to comply with before the loss, even if the property was undamaged; and
 - (ii) You failed to comply with; or
- (b) Costs associated with the enforcement of any ordinance or law that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
- (4) Paragraph B.1.a., does not apply to this Coverage Extension.
- (5) The most we will pay for loss under this Coverage Extension in any one occurrence is \$25,000 at each described premises.
- (6) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

n. Outdoor Property

- (1) When a Limit of Insurance is shown in the Declarations for Building or Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to the following types of outdoor property at that described premises caused by or resulting from a Covered Cause of Loss:
 - (a) Radio or television antennas (including microwave or satellite dishes) and their lead-in wiring, masts or towers; or
 - **(b)** Bridges, walks, roadways, patios and other paved surfaces.
- (2) The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$10,000 at each described premises.

o. Personal Effects

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to personal effects owned by:

- (a) You; or
- (b) Your officers, partners, "members", "managers", "employees", directors or trustees;

caused by or resulting from a Covered Cause of Loss.

- (2) Such property must be located at a described premises.
- (3) The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$25,000 at each described premises.
- (4) Payments under this Coverage Extension are in addition to the applicable Limits of Insurance.

p. Signs

- (1) If:
 - (a) You are the building owner; and
 - (b) A Limit of Insurance is shown in the Declarations for Building;

at the described premises, you may extend that insurance to apply to direct physical loss of or damage to outdoor signs attached to the building, or on or within 1,000 feet of the described premises, caused by or resulting from a Covered Cause of Loss.

- (2) If:
 - (a) You are a tenant;
 - (b) A Limit of Insurance is shown in the Declarations for Business Personal Property; and
 - (c) You own or are contractually obligated to repair or replace outdoor signs;

at the described premises, you may extend that insurance to apply to direct physical loss of or damage to outdoor signs attached to the building, or on or within 1,000 feet of the described premises, caused by or resulting from a Covered Cause of Loss.

q. Spoilage - Consequential Loss

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to consequential loss to your Business Personal Property caused by a change in:
 - (a) Temperature; or
 - (b) Humidity;

caused by or resulting from a Covered Cause of Loss to any of the following types of equipment situated within the building at the described premises:

- (a) Refrigerating;
- (b) Cooling;
- (c) Humidifying;
- (d) Air-conditioning;
- (e) Heating;
- (f) Generating or converting power; or
- (g) Connections, supply or transmission lines and pipes associated with the above equipment.
- (2) With respect to this Coverage Extension, "breakdown" to "covered equipment" will not be considered a Covered Cause of Loss, even if otherwise covered elsewhere in this Coverage Form.
- (3) Paragraphs B.2.d.(7)(a) and B.2.d.(7)(b) do not apply to this Coverage Extension.

r. Theft Damage to Rented Property

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to the following caused by or resulting by "theft" or attempted "theft":
 - (a) That part of a building you occupy, but do not own, which contains Covered Property; and
 - (b) Property within such non-owned building used for maintenance or

service of such non-owned building.

- (2) We will not pay under this Coverage Extension for loss or damage:
 - (a) Caused by or resulting from fire or explosion; or
 - (b) To glass (other than glass building blocks) or to any lettering, ornamentation or burglar alarm tape on glass.
- (3) This Coverage Extension applies only if you are a tenant and you are contractually obligated to insure this exposure.

s. Valuable Papers and Records

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to "valuable papers and records", that:
 - (a) You own; or
 - (b) Are owned by others, but in your care, custody or control;

caused by or resulting from a Covered Cause of Loss.

- (2) This Coverage Extension includes the cost to research, replace or restore the lost information on "valuable papers and records" for which duplicates do not exist.
- (3) The following exclusions apply to this Coverage Extension:
 - (a) We will not pay for any loss or damage to "valuable papers and records" caused by or resulting from any errors or omissions in processing or copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the resulting loss or damage caused by that fire or explosion.
 - **(b)** Paragraph **B.1.b.** Earth Movement;
 - (c) Paragraph B.1.c. Governmental Action;
 - (d) Paragraph B.1.d. Nuclear Hazard;

- (e) Paragraph B.1.f. War and Military Action;
- (f) Paragraph B.1.g. Water;
- (g) Paragraph B.1.h. Neglect; and
- (h) Paragraph B.2.g.

No other exclusions in Paragraph B. Exclusions apply to this Coverage Extension. However, if any exclusions are added by endorsement to this Coverage Form, such exclusions will apply to this Coverage Extension.

- (4) The most we will pay under this Coverage Extension for loss of or damage to "valuable papers and records" in any one occurrence while in transit or at a premises other than the described premises is \$25,000.
- (5) The most we will pay under this Coverage Extension for loss of or damage to "valuable papers and records" in any one occurrence at each described premises is \$25,000 or the amount shown in the Declarations for Valuable Papers and Records, whichever is greater.
- (6) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

B. EXCLUSIONS

We will not pay for loss or damage caused directly or indirectly by any of the following.
 Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.
 These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

a. Ordinance or Law

- (1) The enforcement of any ordinance or
 - (a) Regulating the construction, use or repair of any property; or
 - (b) Requiring the tearing down of any property, including the cost of removing its debris.
- (2) This exclusion, Ordinance or Law, applies whether the loss results from:

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

b. Earth Movement

- Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased; or
- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface;

all whether naturally occurring or due to man made or other artificial causes.

But if Earth Movement, as described in Paragraphs (1) through (4) above results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

(5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire or volcanic action, we will pay for the loss or damage caused by that fire or volcanic action.

Volcanic action means direct loss or damage resulting from the eruption of a volcano, when the loss or damage is caused by:

(a) Airborne volcanic blast or airborne shock waves;

- (b) Ash, dust, or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss of or damage to Covered Property.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and done at the time of a fire to prevent its spread, if the fire would be covered under this policy.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the loss or damage caused by that fire.

e. Utility Services

The failure or fluctuation of power or other utility service supplied to the described premises, however caused, if the cause of the failure or fluctuation occurs away from the described premises.

But if the failure or fluctuation of power or other utility service results in a Covered Cause of Loss, we will pay for the loss or damage resulting from that Covered Cause of Loss.

f. War and Military Action

- War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by

governmental authority in hindering or defending against any of these.

g. Water

- Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water or sewage that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings;

all whether naturally occurring or due to man made or other artificial causes.

But if Water, as described in Paragraphs (1) through (4) above results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

h. Neglect

Neglect of an insured to use reasonable means to save and preserve property from further damage at and after the time of loss.

i. Collapse of Buildings

Collapse of buildings meaning an abrupt falling down or caving in of a building or any part of a building with the result being that the building or part of a building cannot be occupied for its intended purpose.

- (1) This exclusion does not apply to collapse of buildings if caused only by one or more of the following:
 - (a) A "specified cause of loss" or breakage of building glass;
 - (b) Decay, insect or vermin damage that is hidden from view, unless the presence of such decay or insect or vermin damage is known to an insured prior to collapse;

- (c) Weight of people or personal property;
- (d) Weight of rain that collects on a roof; or
- (e) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of construction, remodeling or renovation; or
- (f) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs after construction, remodeling, or renovation is complete and is caused in part by a cause of loss listed in Paragraphs (a) through (d) above.

In the event collapse results in a Covered Cause of Loss, we will only pay for the resulting loss or damage by that Covered Cause of Loss.

- (2) We will not pay for loss of or damage to the following types of property, if otherwise covered in this Coverage Form under Paragraphs (1)(b) through (1)(f) above, unless the loss or damage is a direct result of the collapse of a building:
 - (a) Awnings, gutters and downspouts;
 - (b) Outdoor radio or television antennas (including microwave or satellite dishes) and their lead-in wiring, masts or towers;
 - (c) Fences;
 - (d) Piers, wharves and docks;
 - (e) Beach or diving platforms or appurtenances;
 - (f) Retaining walls;
 - (g) Walks, roadway and other paved surfaces;
 - (h) Yard fixtures; or
 - (i) Outdoor swimming pools.
- (3) A building or part of a building that:
 - (a) Is in imminent danger of abruptly falling down or caving in; or
 - (b) Suffers a substantial impairment of structural integrity;

- is not considered to have collapsed but is considered to be in a state of imminent collapse.
- (4) With respect to buildings in a state of imminent collapse, we will not pay for loss or damage unless the state of imminent collapse first manifests itself during the policy period and is caused only by one or more of the following which occurs during the policy period:
 - (a) A "specified cause of loss" or breakage of glass;
 - (b) Weight of people or personal property;
 - (c) Weight of rain that collects on a roof; or
 - (d) Use of defective material or methods in construction, remodeling or renovation if the state of imminent collapse occurs during the course of construction, remodeling or renovation.
- We will not pay for loss or damage caused by or resulting from any of the following:
 - a. Artificially generated electrical current, including electric arcing that disturbs electrical devices, appliances or wires unless caused by a "specified cause of loss".
 - But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by that fire.
 - b. Delay, loss of use or loss of market.
 - **c.** Smoke, vapor or gas from agricultural smudging or industrial operations.
 - d. (1) Wear and tear;
 - (2) Rust, corrosion, fungus, decay, deterioration, wet or dry rot, mold, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
 - (3) Smog;
 - (4) Settling, cracking, shrinking or expansion;
 - (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;

- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision;
- (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature;
 - (c) Marring or scratching;
 - (d) Changes in flavor, color, texture or finish;
 - (e) Evaporation or leakage; or
- (8) Contamination by other than "pollutants".

But if an excluded cause of loss that is listed in Paragraphs (1) through (8) above results in a "specified cause of loss", building glass breakage or "breakdown" to "covered equipment" (only if otherwise a Covered Cause of Loss), we will pay for the loss or damage caused by that "specified cause of loss", building glass breakage or "breakdown" to "covered equipment" (only if otherwise a Covered Cause of Loss).

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protection sys-

tems) caused by or resulting from freezing, unless:

- (1) You do your best to maintain heat in the building or structure; or
- (2) You drain the equipment and shut off the water supply if the heat is not maintained.
- h. Dishonest or criminal acts by you, or any of your partners, "members", officers, "managers", "employees" (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
 - Acting alone or in collusion with others; or
 - (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your "employees" (including leased employees), but "theft" by "employees" (including leased employees) is not covered.

- Voluntary parting with any property by you or anyone else to whom you have entrusted the property.
- j Rain, snow, sand, dust, ice or sleet to personal property in the open.
- k. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, **k.** does not apply to damage to glass caused by chemicals applied to the glass.

- I. Default on any credit sale, loan, or similar transaction.
- m. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property. This exclusion does not apply to "money" and "securities".

- n. Loss of property or that part of any loss, the proof of which as to its existence or amount is dependent on:
 - (1) Any inventory computation; or
 - (2) A profit and loss computation.
- The transfer of property to a person or to a place outside the described premises on the basis of unauthorized instructions.
- p. Loss of "money" or "securities" caused by or resulting from accounting or arithmetic errors or omissions.
- q. The cost of correcting or making good the damage to personal property attributable to such property being processed, manufactured, tested, repaired, restored, retouched or otherwise being worked upon.
- 3. We will not pay for loss or damage caused by or resulting from any of the following under Paragraphs a. through c. But if an excluded cause of loss that is listed in Paragraphs a. and b. below results in a Covered Cause of Loss, we will pay for the resulting loss or damage caused by that Covered Cause of Loss.
 - a. Weather conditions, but this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph B.1. above to produce the loss or damage.
 - Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c. Faulty, inadequate or defective:
 - Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;

of part or all of any property on or off the described premises.

If an excluded cause of loss that is listed in Paragraphs (1) through (4) above results in a Covered Cause of Loss, we will pay for the resulting loss or damage caused by that Covered Cause of Loss. But we will not pay for:

- (1) Any cost of correcting or making good the fault, inadequacy or defect itself, including any cost incurred to tear down, tear out, repair or replace any part of any property to correct the fault, inadequacy or defect; or
- (2) Any resulting loss or damage by a Covered Cause of Loss to the property that has the fault, inadequacy or defect until the fault, inadequacy or defect is corrected.

Business Income and Extra Expense Exclusions

We will not pay for:

- Any Extra Expense, or increase of Business Income loss, caused by or resulting from:
 - Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference by strikers or other persons at the location of the rebuilding, repair or replacement; or
 - (2) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and the period of Extended Business Income; or
- b. Any other consequential loss.

C. LIMITS OF INSURANCE

 The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations, Schedules, Coverage Forms, or endorsements.

2. Inflation Guard

- a. When a percentage for Inflation Guard is shown in the Declarations, the Limit of Insurance for property to which this coverage applies will automatically increase by that annual percentage.
- **b.** The amount of increase will be:
 - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, multiplied by

- (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), multiplied by
- (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example:

If:

The applicable Building limit is \$100,000
The annual percentage increase is 8%
The number of days since the beginning of the policy year (or last policy change) is 146
The amount of increase is \$100,000 x .08 x (146/365) = \$3,200

3. Business Personal Property Limit – Seasonal Increase

- a. The Limit of Insurance for Business Personal Property shown in the Declarations will automatically increase by 25% to provide for seasonal variations.
- b. This increase will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:
 - The 12 months immediately preceding the date the loss or damage occurs; or
 - (2) The period of time you have been in business as of the date the loss or damage occurs.

D. DEDUCTIBLES

- We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Businessowners Property Coverage Deductible shown in the Declarations. We will then pay the amount of covered loss or damage in excess of that Deductible. But we will not pay more than the applicable Limit of Insurance.
- Regardless of the amount of the Businessowners Property Coverage Deductible, the most we will deduct from any loss or damage under the Building Glass Coverage Extension

in any one occurrence is the Building Glass Deductible shown in the Declarations.

- The Businessowners Property Coverage Deductible does not apply to any of the following:
 - a. Fire Department Service Charge;
 - b. Business Income and Extra Expense;
 - c. Arson and Theft Reward; and
 - d. Accounts Receivable.
- 4. If more than one deductible applies to loss or damage in any one occurrence, we will apply each deductible separately. But the total of all deductible amounts applied in any one occurrence will not exceed the largest applicable deductible.

E. PROPERTY LOSS CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the value of the property, the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property, the amount of Net Income and operating expense or the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- **b.** Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties in the Event of Loss or Damage

- You must see that the following are done in the event of loss or damage to Covered Property:
 - (1) Notify the police if a law may have been broken. This duty does not ap-

- ply to loss or damage arising from "employee dishonesty" and "forgery" or alteration.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.
 - Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (7) For loss or damage from other than "employee dishonesty" or "forgery" or alteration send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (8) For loss or damage resulting from "employee dishonesty" or "forgery" or alteration, give us a detailed, sworn proof of loss within 120 days after you discover a loss or situation that

- may result in loss of or damage to Covered Property.
- (9) Cooperate with us in the investigation and settlement of the claim.
- (10) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment – Building and Personal Property

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
 - Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to Paragraph b. below;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to Paragraph b. below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of Paragraph e. below or any applicable provision which amends or supersedes these valuation conditions.

- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property, except as provided in the Ordinance or Law Additional Coverage.
- c. We will give notice of our intentions within 30 days after we receive the proof of loss.
- **d.** We will not pay you more than your financial interest in the Covered Property.

- e. We will determine the value of Covered Property in the event of covered loss or damage as follows:
 - (1) At replacement cost (without deduction for depreciation), except as provided in Paragraphs (2) through (18) below.
 - (a) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.
 - (b) We will not pay on a replacement cost basis for any loss or damage:
 - (i) Until the lost or damaged property is actually repaired or replaced; and
 - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also applies:

- a) If the conditions in Paragraphs (i) and (ii) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth under Paragraph e.(7) below; and
- b) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- (c) We will not pay more for loss or damage on a replacement cost basis than the least of Paragraphs (i), (ii) or (iii) subject to Paragraph (d) below:

- (i) The Limit of Insurance applicable to the lost or damaged property;
- (ii) The cost to replace the lost or damaged property with other property:
 - a) Of comparable material and quality; and
 - b) Used for the same purpose; or
- (iii) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in Paragraph (ii) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

- (d) The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- (2) If the Declarations indicate that Actual Cash Value applies to Buildings or Business Personal Property, Paragraph (1) above does not apply to the property for which Actual Cash Value is indicated.
- (3) Personal Property of others at the amount for which you are liable plus the cost of labor, materials or services furnished or arranged by you on personal property of others, not to exceed the replacement cost.
- (4) The following property at actual cash value:
 - (a) Used or second-hand merchandise held in storage or for sale;
 - (b) Household furnishings; and
 - (c) Personal effects.
- (5) "Fine Arts" as follows:
 - (a) If there is a schedule of "fine arts" on file which includes a description and value of the lost or damaged item, we will pay the value as stated in the schedule for that

- item if there is a total loss to that item. If there is a partial loss to an item, we will pay the cost of reasonably restoring or repairing that item.
- (b) For "fine arts" without a schedule on file as described in Paragraph (a) above, the value of "fine arts" will be the least of the following amounts:
 - (i) Market value of the lost or damaged item at the time and place of loss;
 - (ii) The cost of reasonably restoring the lost or damaged item; or
 - (iii) The cost of replacing that lost or damaged item with property substantially the same.
- (6) Glass at the cost of replacement with safety glazing material if required by law.
- (7) Tenants' Improvements and Betterments at:
 - (a) Replacement cost if you make repairs promptly.
 - (b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (ii) Divide the amount determined in Paragraph (i) above by the number of days from the installation of improvements to the expiration of the lease.
 - If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
 - (c) Nothing, if others pay for repairs or replacement.
- (8) "Valuable Papers and Records" at the cost of restoration or replacement. To the extent that the contents of the "valuable papers and records"

- are not restored or replaced, the "valuable papers and records" will be valued at the cost of replacement with blank material of substantially identical type.
- (9) "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- (10) Property in transit (other than "stock" you have sold) at the amount of invoice, including your prepaid or advanced freight charges and other charges which may have accrued or become legally due from you since the shipment. If you have no invoice, actual cash value will apply.
- (11) "Money" at its face value.
- (12) "Securities" at their value at the close of business on the day the loss is discovered.
- (13) Accounts Receivable as follows:
 - (a) If you cannot accurately establish the amount of Accounts Receivable outstanding as of the time of loss, we will:
 - (i) Determine the total of the average monthly amounts of Accounts Receivable for the 12 months immediately preceding the month in which the loss occurs; and
 - (ii) Adjust that total for any normal fluctuations in the amount for Accounts Receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.
 - (b) If you can accurately establish the amount of Accounts Receivable outstanding, that amount will be used in the determination of loss.
 - (c) The following will be deducted from the total amount of Accounts Receivable, however that amount is established:
 - (i) The amount of the accounts for which there was no loss;

- (ii) The amount of the accounts that you are able to reestablish or collect;
- (iii) An amount to allow for probable bad debts that you are normally unable to collect; and
- (iv) All unearned interest and service charges.
- (14) "Electronic Data Processing Equipment" at replacement cost as of the time and place of loss, without deduction for physical deterioration, depreciation, obsolescence or depletion. However, in the event replacement of "Electronic Data Processing Equipment" with identical property is impossible, the replacement cost will be the cost of items that are similar to the damaged or destroyed equipment and intended to perform the same function, but which may include technological advances.
 - "Electronic Data Processing Equipment" that is obsolete or no longer used by you will be valued at actual cash value.
- (15) "Electronic Data Processing Data and Media" for which duplicates do not exist will be valued as follows:
 - (a) The cost of blank media; and
 - (b) Your cost to research, replace or restore the lost electronic data on lost, damaged or destroyed "Electronic Data Processing Data and Media" but only if the lost electronic data is actually replaced or restored.
- (16) Duplicate "Electronic Data Processing Data and Media" at the cost of:
 - (a) Blank media; and
 - (b) Labor to copy the electronic data, but only if the electronic data is actually copied.
- (17) The value of United States Government Internal Revenue taxes and custom duties and refundable state and local taxes paid or fully determined on the following property held for sale will not be considered in de-

termining the value of Covered Property:

- (a) Distilled spirits;
- (b) Wines;
- (c) Rectified products; or
- (d) Beer.
- (18) Lottery tickets at their initial cost to you except for winning tickets at their redeemed value.
- f. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property, if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- g. We have the right but not the duty to defend you against suits arising from claims of owners of property. We will do so at our expense.
- h. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss provided you have complied with all of the terms of this policy; and
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.
- i. At our option, we may make a partial payment toward any claim, subject to the policy provisions and our normal adjustment process. To be considered for partial claim payment, you must submit a partial sworn proof of loss with supporting documentation. Any applicable policy deductibles must be satisfied before any partial payments are made.

5. Loss Payment – Business Income and Extra Expense

- The amount of Business Income loss will be determined based on:
 - The Net Income of the business before the direct physical loss or damage occurred;
 - (2) The likely Net Income of the business if no physical loss or damage occurred, but not including any likely increase in Net Income attributable to

- an increase in the volume of business as a result of favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
- (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- (4) Other relevant sources of information, including:
 - (a) Your financial records and accounting procedures;
 - (b) Bills, invoices and other vouchers; and
 - (c) Deeds, liens or contracts.
- b. The amount of Extra Expense will be determined based on:
 - (1) All reasonable and necessary expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
 - (2) All reasonable and necessary expenses that reduce the Business Income loss that otherwise would have been incurred.
- c. We will reduce the amount of your:
 - (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including "stock") at

- the described premises or elsewhere; or
- (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.
- e. We will pay for covered loss or damage within 30 days after we receive your sworn proof of loss provided you have complied with all of the terms of this policy; and
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.

6. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. But then you must return to us the amount we paid to you for the property. We will pay the recovery expenses and the expenses to repair the recovered property, subject to the applicable Limit of Insurance.

7. Noncumulative Limit

No Limit of Insurance cumulates from policy period to policy period.

F. COMMERCIAL PROPERTY CONDITIONS

1. Concealment, Misrepresentation or Fraud

This Coverage Form is void in any case of fraud by you. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

- a. This Coverage Form;
- b. The Covered Property;
- c. Your interest in the Covered Property; or
- d. A claim under this Coverage Form.

2. Control of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Form at any one or more premises will not affect coverage at any premises where, at the time of loss or damage, the breach of condition does not exist.

3. Insurance Under Two or More Coverages

If two or more coverages under this Coverage Form apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

4. Legal Action Against Us

No one may bring a legal action against us under this Coverage Form unless:

- a. There has been full compliance with all of the terms of this Coverage Form; and
- b. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

5. Liberalization

If we adopt any revision that would broaden the coverage under this Coverage Form without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Form.

6. No Benefit to Bailee

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

7. Other Insurance

- a. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Form. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Form bears to the Limits of Insurance of all insurance covering on the same basis.
- b. If there is other insurance covering the same loss or damage, other than that described in Paragraph a. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

8. Policy Period, Coverage Territory

Under this Coverage Form:

- We cover loss or damage you sustain through acts committed or events occurring:
 - (1) During the policy period shown in the Declarations; and

- (2) Within the coverage territory; and
- b. The coverage territory is:
 - The United States of America (including its territories and possessions);
 - (2) Puerto Rico; and
 - (3) Canada.

9. Transfer of Rights of Recovery Against Others to Us.

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

- a. Prior to a loss to your Covered Property or Covered Income; or
- b. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - (1) Someone insured by this insurance;
 - (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you; or
 - (3) Your tenant.

This will not restrict your insurance.

10. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss multiplied by the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in step (1);
- (3) Multiply the total amount of the covered loss, before the application of

- any deductible, by the figure determined in step (2); and
- (4) Subtract the deductible from the figure determined in step (3).

We will pay the amount determined in step (4) or the limit of insurance, whichever is less.

For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example No. 1 (Under insurance):

The value of the property is

When:

The Coinsurance percent for it is 90%

The Limit of Insurance for it is \$112,500

The Deductible is \$250

The amount of loss is \$40,000

\$250,000

Step (1): \$250,000 x 90% = \$225,000 (the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): \$112,500/\$225,000 = .50

Step (3): $$40,000 \times .50 = $20,000$

Step (4): \$20,000 - \$250 = \$19,750

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

Example No. 2 (Adequate Insurance):

When:

The value of the property is
The Coinsurance percentage
for it is
The Limit of Insurance for
it is
The Deductible is
The amount of loss is
\$250,000
\$90%
\$225,000
\$225,000
\$40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$225,000 (\$250,000 x 90%).

Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. Coinsurance does not apply to:
 - (1) "Money" and "securities";

- (2) Additional Coverages;
- (3) Coverage Extensions; or
- (4) Loss or damage in any one occurrence totaling less than \$2,500.

11. Mortgageholders

- The term, mortgageholder, includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Form, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - Pays any premium due under this Coverage Form at our request if you have failed to do so;
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - (3) Has notified us of any change in ownership or occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Form will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Form:
 - The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - (2) The mortgageholder's rights to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued in-

- terest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.
- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
 - 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

G. PROPERTY DEFINITIONS

 "Banking Premises" means the interior of that portion of any building which is occupied by a banking institution or similar safe depository.

2. "Breakdown"

- a. Means:
 - (1) Failure of pressure or vacuum equipment;
 - (2) Mechanical failure, including rupture or bursting caused by centrifugal force; or
 - (3) Electrical failure including arcing; that causes physical damage to "covered equipment" and necessitates its repair or replacement; and

b. Does not mean:

- (1) Malfunction, including but not limited to adjustment, alignment, calibration, cleaning or modification;
- (2) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (3) Damage to any vacuum tube, gas tube, or brush;
- (4) Damage to any structure or foundation supporting the "covered equipment" or any of its parts;
- (5) The functioning of any safety or protective device; or

(6) The cracking of any part on any internal combustion gas turbine exposed to the products of combustion.

3. "Communication Supply Services"

- a. Means property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:
 - (1) Communication transmission lines, including fiber optic transmission lines:
 - (2) Coaxial cables; and
 - (3) Microwave radio relays, except satellites; and
- b. Does not mean overhead transmission lines.

4. "Covered Equipment"

- a. Means the following types of equipment:
 - Equipment designed and built to operate under internal pressure or vacuum other than weight of contents;
 - (2) Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy;
 - (3) Fiber optic cable; and
 - (4) Hoists and cranes:
- b. Does not mean any:
 - "Electronic Data Processing Equipment";
 - (2) "Electronic Data Processing Data and Media":
 - (3) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
 - (4) Insulating or refractory material;
 - (5) Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair or replace;
 - (6) Structure, foundation, cabinet or compartment supporting or containing the "covered equipment" or part of the "covered equipment" including penstock, draft tube or well casing:
 - (7) Vehicle, aircraft, self-propelled equipment or floating vessel, including any

- equipment mounted on or used solely with any vehicle, aircraft, selfpropelled equipment or floating vessel;
- (8) Elevator or escalator, but not excluding any electrical machine or apparatus mounted on or used with this equipment; or
- (9) Equipment or any part of such equipment manufactured by you for sale.
- 5. "Diagnostic Equipment" means any:
 - a. Equipment; or
 - b. Apparatus;

used solely for research, diagnostic, medical, surgical, therapeutic, dental or pathological purposes.

- 6. "Electronic Data Processing Data and Media"
 - a. Means any of the following used in your computer operations:
 - (1) Data stored as or on, created or used on, or transmitted to or from computer software (including systems and applications) on electronic data processing, recording or storage media such as hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment;
 - (2) The electronic media on which the data is stored; and
 - (3) Programming records and instructions used for "Electronic Data Processing Equipment"; and
 - b. Does not mean "Valuable Papers and Records".

7. "Electronic Data Processing Equipment"

- a. Means any of the following equipment used in your operations:
 - Electronic data processing equipment, facsimile machines, word processors, multi-functional telephone equipment and laptop and portable computers; and
 - (2) Any component parts and peripherals of such equipment, including related surge protection devices; and

- **b.** Does not mean equipment used to operate production type of:
 - (1) Machinery; or
 - (2) Equipment.
- 8. "Electronic Vandalism" means any acts by persons, other than "employees", involving any of the following:
 - Willful or malicious destruction of computer programs, content, instructions or other electronic or digital data stored within computer systems; or
 - **b.** Unauthorized computer code or programming that:
 - Deletes, distorts, corrupts or manipulates computer programs, contents, instructions or other electronic or digital data, or otherwise results in damage to computers or computer systems or networks to which is introduced;
 - (2) Replicates itself, impairing the performance of computers or computer systems or networks; or
 - (3) Gains remote control access to data and programming within computers or computers systems or networks to which it is introduced, for uses other than those intended for authorized users of the computers or computer systems or networks.

9. "Employee(s)"

- a. Means:
 - (1) Any natural person:
 - (a) While in your service (and for 30 days after termination of service);
 - (b) Whom you compensate directly by salary, wages or commissions; and
 - (c) Whom you have the right to direct and control while performing services for you;
 - (2) Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the premises; or

- (3) Your directors or trustees while acting as a member of any of your elected or appointed committees to perform on your behalf specific, as distinguished from general, directorial acts; and
- b. Does not mean any agent, broker, person leased to you by a labor leasing firm, factor, commission merchant, consignee, independent contractor or representative of the same general character.
- 10. "Employee Dishonesty" means only dishonest acts, committed by an "employee", whether identified or not, acting alone or in collusion with other persons, except you, a partner, a "member", or a "manager" with the manifest intent to:
 - a. Cause you to sustain loss; and also
 - b. Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - (1) The "employee"; or
 - (2) Any person or organization intended by the "employee" to receive that benefit.

11. "Fine Arts"

- a. Means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelains, rare glass, bric-a-brac, and similar property with historical value, or artistic merit; and
- **b.** Does not mean any glass that is part of a building or structure.
- 12. "Forgery" means the signing of the name of another person or organization with intent to deceive. "Forgery" does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity for any purpose.
- 13. "Interior of any building or structure" means all portions of the building or structure that are within the exterior facing surface material of the building or structure.
- 14. "Maintenance Fees" means the regular payment made to you by unit-owners and used to service the common property.

- "Manager" means a person serving in a directorial capacity for a limited liability company.
- 16. "Member" means an owner of a limited liability company represented by its membership interest, who also may service as a "manager".
- 17. "Money" means currency and coins in current use, bank notes, travelers checks, register checks and money orders held for sale to the public.
- **18. "Operations"** means your business activities occurring at the described premises and the tenantability of the described premises.
- 19. "Period of Restoration"
 - a. Means the period of time that:
 - (1) Begins:
 - (i) For Business Income coverage:
 - a) With the date of direct physical loss or damage, if the Declarations show Immediately for Period of Restoration – Time Period; or
 - b) 72 hours after the time of direct physical loss or damage, if the Declarations show 72 hours for Period of Restoration – Time Period; or
 - (ii) For Extra Expense coverage with the date of direct physical loss or damage;
 - caused by or resulting from any Covered Cause of Loss at the described premises; and
 - (2) Ends on the earlier of:
 - (i) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (ii) The date when business is resumed at a new permanent location; and
 - b. Does not mean any increased period required due to the enforcement of any law that;
 - Regulates the construction, use or repair, or requires the tearing down of any property; or

(2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

20. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, waste, and any unhealthful or hazardous building materials (including but not limited to asbestos and lead products or materials containing lead). Waste includes materials to be recycled, reconditioned or reclaimed.

21. "Power Generating Equipment"

- a. Means the following types of equipment or apparatus:
 - (1) Pressure;
 - (2) Mechanical; or
 - (3) Electrical;

used in or associated with the generation of electric power; and

b. Does not mean such equipment that is used solely to generate emergency power that is less than or equal to 1000KW.

22. "Power Supply Services"

- a. Means the following types of property supplying electricity, steam or gas to the described premises:
 - (1) Utility generating plants;
 - (2) Switching stations;
 - (3) Substations;
 - (4) Transformers; and
 - (5) Transmission lines; and
- **b.** Does not mean overhead transmission lines.

23. "Production Equipment"

- a. Means any:
 - (1) Production machinery; or
 - (2) Process machinery;

that processes, shapes, forms or grinds:

- (1) Raw materials;
- (2) Materials in process; or
- (3) Finished products; and

- b. Includes "covered equipment" that is used solely with or forms an integral part of the:
 - (1) Production;
 - (2) Process; or
 - (3) Apparatus.
- 24. "Rental Value" means Business Income that consists of:
 - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including the fair rental value of any portion of the described premises which is occupied by you; and
 - **b.** Continuing normal operating expenses incurred in connection with that premises, including:
 - (1) Payroll; and
 - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
- 25. "Securities" means all negotiable and nonnegotiable instruments or contracts representing either "money" or other property and includes revenue or other stamps in current use, tokens, tickets and credit card slips for sales made by you and held by you for reimbursement from companies issuing credit cards, but does not include "money". Lottery tickets held for sale are not securities.
- 26. "Specified Causes of Loss" means the following:

Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

- a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into underground man-made cavities.

- Falling objects does not include loss of or damage to:
 - (1) Personal Property in the open; or
 - (2) The "interior of a building or structure", or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) that is located on the described premises and contains water or steam.
- 27. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.
- 28. "Suspension" means:
 - The partial or complete cessation of your business activities; or
 - **b.** That a part or all of the described premises is rendered untenantable.
- 29. "Theft" means any act of stealing.
- 30. "Vacant" means the following:
 - (1) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the ten-

- ant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
- (2) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
 - (a) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; or
 - (b) Used by the building owner to conduct customary operations.

31. "Valuable Papers and Records"

- a. Means inscribed, printed or written:
 - (1) Documents;
 - (2) Manuscripts; or
 - (3) Records;
 - including abstracts, books, deeds, drawings, films, maps or mortgages; and
- b. Does not mean "money" or "securities" or "Electronic Data Processing Data and Media".
- 32. "Water Supply Services" means the following types of property supplying water to the described premises:
 - a. Pumping stations; and
 - b. Water mains.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGUS, WET ROT AND DRY ROT CHANGES – NEW YORK

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE PART

- A. The EXCLUSIONS contained in Section B. of the BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM are amended as follows:
 - 1. The following exclusion is added to B.2.:

We will not pay for loss or damage caused by or resulting from "fungus", wet rot or dry rot. However this exclusion does not apply when "fungus", wet rot or dry rot results from a Covered Cause of Loss.

- 2. Under exclusion **B.2.d.(2)**, reference to "fungus, wet rot or dry rot" is deleted.
- B. Ordinance or Law Coverage change
 - Paragraph C. of Ordinance or Law Coverage Endorsement MP T1 35 is replaced by the following:

We will not pay under Coverage A, B or C of this endorsement for:

- a. Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants"; or
- b. The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
- 2. Paragraph C. of Combined Ordinance or Law Coverage Endorsement MP T1 84 is replaced by the following:

We will not pay under Coverage A, B or C of this endorsement for:

a. Enforcement of any ordinance or law which requires the demolition, repair, re-

- placement, reconstruction, remodeling or remediation of property due to contamination by "pollutants"; or
- b. The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

C. Under:

- The Ordinance or Law Additional Coverage in Section A.6.k.(3) of the BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM;
- The Ordinance or Law Increased Period of Restoration Coverage Extension in Section A.7.m.(3) of the BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM;
- Any other Ordinance or Law coverage or Ordinance or Law Increased Period of Restoration coverage provided under this Coverage Part;

the following exclusion is added:

This coverage does not apply to:

Loss caused by or resulting from the enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants".

D. The DEFINITIONS contained In Section **G.** are amended as follows:

The following definition is added:

"Fungus" means any type or form of fungus, including but not limited to mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi. POLICY NUMBER: 680-9N029386-19-42

BUSINESSOWNERS ISSUE DATE: 09/12/2019

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Restaurant and Perishable Goods Premier Endorsement – New York

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

SCHEDULE

Computer Fraud and Funds Transfer Fraud Limit of Insurance: \$ 10,000

Food Contamination Costs Limit of Insurance: \$ 50,000

The BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM is changed as follows:

1. The following Additional Coverage is added to paragraph A.6.:

Blanket Coverage Limit of Insurance

We will pay up to \$250,000 in any one occurrence as a Blanket Coverage Limit of Insurance for the sum of all covered loss at each described premises under the coverages described in paragraphs **a.** through **c.** below. You may apportion this limit among these coverages as you choose.

Unless otherwise stated, this Blanket Coverage Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for the following coverages.

a. Accounts Receivable

Within the Blanket Coverage Limit of Insurance, when a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, we will pay for direct physical loss of or damage to your records of accounts receivable (including those on electronic data processing media) on or away from each described premises, including while in transit, caused by or resulting from a Covered Cause of Loss. Credit card company media will be considered accounts receivable until delivered to the credit card company.

This coverage applies as described in Paragraphs A.7.a.(2) and A.7.a.(3) and is subject to the provisions that apply to those Paragraphs.

b. Excess Debris Removal

(1) Within the Blanket Coverage Limit of

Insurance, we will pay your expense to remove debris of Covered Property, other than outdoor trees, shrubs, plants and lawns as described in the Outdoor Trees, Shrubs, Plants and Lawns Coverage Extension, caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

- (2) Debris Removal does not apply to costs to:
 - (a) Extract "pollutants" from land or water; or
 - **(b)** Remove, restore or replace polluted land or water.
- (3) When the debris removal expense exceeds the 25% limitation in Additional Coverage Debris Removal in Section A.6.c.(3) or when the sum of the debris removal expense and the amount we pay for the direct physical loss of or damage to Covered Property exceeds the applicable Limit of Insurance, we will pay up to the Blanket Coverage Limit of Insurance for debris removal expense in any one occurrence, at each described premises.

c. Valuable Papers and Records

Within the Blanket Coverage Limit of Insurance, when a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, we will pay for direct physical loss of or damage to "valuable papers and records" that:

- (a) You own; or
- **(b)** Are owned by others, but in your care, custody or control;

caused by or resulting from a Covered Cause of Loss.

This coverage applies as described in Paragraphs A.7.s.(2) and A.7.s.(3) and is subject to the provisions that apply to those Paragraphs.

With respect to property of others covered under this Additional Coverage, the owner may have other insurance covering the same property as this insurance. This insurance is intended to be primary and not to contribute with such other insurance.

- 2. With respect to Extended Business Income, the time frame referenced in Paragraph A.3.c.(2)(b) is increased from sixty consecutive days to ninety consecutive days.
- 3. The limit applicable to the Additional Coverage-Arson and Theft Reward is increased by \$25,000.
- **4.** The limit applicable to the **Additional Coverage-Claim Data Expense** is increased from \$5,000 to \$25,000.
- 5. The limit applicable to the Additional Coverage-Newly Acquired or Constructed Property for Building is increased from \$500,000 to \$1,000,000.
- 6. The limit applicable to the Additional Coverage-Newly Acquired or Constructed Property for Business Personal Property is increased from \$250,000 to \$500,000.
- 7. With respect to the Additional Coverage-Ordinance or Law, coverage is extended to include tenant improvements and betterments as described in Paragraph A.1.b.(3) if:
 - (1) You are a tenant; and
 - (2) A Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises.
- 8. The limit applicable to the Additional Coverage-Outdoor Trees, Shrubs, Plants and Lawns is increased from \$3,000 to \$5,000.
- **9.** The following **Additional Coverages** are added to Paragraph **A.6.**:
 - a. Brands or Labels

If a limit of insurance is shown in the

Declarations for Business Personal Property and if branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or part of the property at an agreed or appraised value. If so, you may:

- (1) Stamp the word Salvage on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- (2) Remove the brands and labels, if doing so will not physically damage the merchandise or its containers to comply with the law.

We will pay reasonable costs you incur to perform the activity described in Paragraphs (1) and (2) above.

Payments under this Additional Coverage are subject to and not in addition to the applicable Limits of Insurance.

b. Contract Penalty Clause

- (1) We will pay contract penalties you incur as a result of your failure to deliver your products or services within the time required under the terms of a written contract. But this Additional Coverage only applies if the failure is solely due to direct physical loss of or damage to property at the described premises caused by or resulting from a Covered Cause of Loss.
- (2) The most we will pay under this Additional Coverage is \$1,000 for the sum of all covered contract penalties arising out of all Covered Causes of Loss occurring during each separate 12 month period of this policy beginning with the effective date of this endorsement.

c. Identity Fraud Expense

(1) We will pay for Expenses incurred by an Insured Person as a direct result of any one Identity Fraud first discovered or learned of by such Insured Person during the policy period.

Any act or series of acts committed by one or more persons, or in which such person or persons are aiding or abetting others against an Insured Person, is considered to be one Identity Fraud, even if a series of acts continues into a subsequent policy period.

(2) With respect to this Additional Coverage:

- (a) Expenses means:
 - (i) Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies;
 - (ii) Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors;
 - (iii) Lost income resulting from:
 - a) Time taken off work to complete fraud affidavits; or
 - Meeting with or talking to law enforcement agencies, credit agencies or legal counsel;

up to a total payment of \$5,000, subject to a maximum of \$200 per day;

- (iv) Loan application fees for reapplying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information;
- (v) Reasonable attorney fees to:
 - a) Defend lawsuits brought against an Insured Person by merchants, vendors, suppliers, financial institutions or their collection agencies;
 - b) Remove any criminal or civil judgments wrongly entered against an Insured Person; or
 - c) Challenge the accuracy or completeness of any information in a consumer credit report;
- (vi) Charges for long distance telephone calls to:
 - a) Merchants;
 - b) Law enforcement agencies;
 - c) Financial institutions or similar credit grantors; or
 - d) Credit agencies; or
- (vii) Reasonable fees for professional financial advice or professional credit advice.

(b) Identity Fraud means:

The act of knowingly transferring or using, without lawful authority, a means of identification of an Insured Person with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law; and

- (c) Insured Person means:
 - (i) For sole proprietorships;

The individual who is the sole proprietor of the Named Insured shown in the Declarations;

(ii) For partnerships;

Any individual that is a partner of the Named Insured shown in the Declarations;

(iii) For corporations or any other type of organization;

The Chief Executive Officer, and any individual who has an ownership interest of at least 20% of the Named Insured shown in the Declarations; or

(iv) For religious institutions;

The individual who is the senior pastoral "employee" of the Named Insured shown in the Declarations.

(3) The following additional exclusions apply to this Additional Coverage:

We will not pay for:

- (a) Expenses incurred due to any fraudulent, dishonest or criminal act by:
 - (i) An Insured Person:
 - (ii) Any person aiding or abetting an Insured Person; or
 - (iii) Any authorized representative of an Insured Person;

whether acting alone or in collusion with others:

- (b) Expenses incurred that are not related to the identity of an individual; or
- (c) Loss other than Expenses. Account balances which arise out of

- fraudulent or unauthorized charges would be one example of Loss other than Expenses.
- (d) An Identity Fraud discovered during such time that an individual was not an Insured Person.
- (4) This Additional Coverage does not apply to Expenses otherwise covered under the Unauthorized Business Card Use Additional Coverage.
- (5) Regardless of the amount of the Businessowners Property Coverage Deductible shown in the Declarations, the most we will deduct from any claim for Expenses under this Additional Coverage for any one Identity Fraud is \$250.
- (6) The most we will pay under this Additional Coverage is \$15,000 for the sum of all covered Expenses arising out of all Identity Fraud against an Insured Person discovered during each separate 12 month period of this policy beginning with the effective date of this endorsement.
- (7) In order for coverage to be provided under this Additional Coverage, you must:

Send to us, within 60 days after our request, receipts, bills or other records that support your claim for Expenses under Identity Fraud coverage.

d. Lease Assessment

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, we will pay for your share of any assessment charged:
 - (a) To all tenants by the building owner;
 - **(b)** Pursuant to a written lease agreement; and
 - (c) As a result of direct physical loss or damage by a Covered Cause of Loss to building property you occupy.
- (2) The most we will pay for loss under this Additional Coverage is \$2,500 in any one occurrence.

e. Lost Key Consequential Loss

(1) We will pay for consequential loss to keys and locks if a master key to buildings, rooms or compartments that are Covered Property, or house Covered Property, at the described premises is lost or damaged from a Covered Cause of Loss. We will pay for the necessary costs you incur to:

- (a) Replace keys; and
- (b) Either:
 - (i) Readjust existing locks to accept new keys; or
 - (ii) Replace existing locks, but only if necessary or less expensive than the cost of adjusting the existing locks.
- (2) Paragraph **B.2.h.** does not apply to this Additional Coverage, except with respect to dishonest or criminal act by you or any of your partners, directors or trustees.
- (3) Paragraph B.2.m. does not apply to this Additional Coverage.
- (4) The most we will pay for loss or damage under this Additional Coverage is \$2,500 at each described premises.

f. Theft of Clients' Property Coverage

(1) If Additional Coverage – Employee Dishonesty is provided within this Coverage Form, the following coverage is added and is subject to the Additional Coverage – Employee Dishonesty provisions:

Theft Of Clients' Property Coverage

We will also pay for loss of or damage to "money", "securities" and "other property" sustained by your "client" resulting directly from "theft" committed by any of your "employees", acting alone or in collusion with other persons.

The property covered under this coverage is limited to property:

- (a) That your "client" owns or leases; or
- (b) That your "client" holds for others; while the property is on your "client's" premises. However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization, including your "client". Any claim for loss that is covered under this coverage must be presented by you.
- (2) With respect to the coverage provided by this Additional Coverage, Paragraph A.6.d.(6) under Additional Coverage – Employee Dishonesty is replaced with

the following:

The most we will pay for the coverage provided under this Additional Coverage in any one occurrence is \$10,000.

- (3) With respect to the coverage provided by this Additional Coverage, Paragraph D. DEDUCTIBLES is replaced by the following:
 - We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds \$500. We will then pay the amount of loss or damage in excess of the deductible subject to the limit in paragraph (2) above. No other deductible applies to theft of clients' property coverage.
- (4) With respect to the coverage provided by this Additional Coverage, Paragraph A.2.b. and A.2.c. is replaced with the following:
 - **b.** Automobiles, motortrucks and other vehicles subject to motor vehicle registration.
- (5) With respect to coverage provided under this Additional Coverage Paragraph A.2. Property Not Covered does not apply, except for Subparagraphs a., b., e., g. and i.
- (6) With respect to coverage provided under this Additional Coverage the following definitions are added to Paragraph G. PROPERTY DEFINITIONS:
 - (a) "Other property" means any tangible property other than "money" and "securities" that has intrinsic value.
 - **(b)** "Client" means any entity for whom you perform services under a written agreement.

g. Unauthorized Business Card Use

- (1) We will pay for your loss of "money" or charges and costs you incur that result directly from the unauthorized use of credit, debit or charge card accounts issued in your business name, including:
 - (a) Fund transfer cards;
 - (b) Charge plates; or
 - (c) Telephone cards.
- (2) With respect to this Additional Coverage,

- occurrence means an act or series of related acts involving one or more persons; or an act or event, or a series of related acts or events not involving any person is considered one occurrence.
- (3) The most we will pay under this Additional Coverage in any one occurrence is \$5,000, regardless of the number of premises involved.

h. Utility Services - Direct Damage

- (1) We will pay for loss of or damage to Covered Property caused by the interruption of services to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises:
 - (a) "Water Supply Services";
 - (b) "Communication Supply Services"; or
 - (c) "Power Supply Services".
- (2) With respect to this Additional Coverage, Paragraphs G.3.b. and G.22.b are deleted.
- (3) The most we will pay for loss or damage under this Additional Coverage is \$2,500 at each described premises, but we will not pay more than \$10,000 in any one occurrence, regardless of the number of premises involved.
- (4) Payments under this Additional Coverage are subject to and not in addition to the applicable Limit of Insurance.
- 10. The following Additional Coverage is added, but only with respect to described premises to which no Ordinance or Law – Coverage A applies other than as provided under Paragraph A.6.k.:

Ordinance or Law - Coverage A - Coverage For Loss to the Undamaged Portion of the Building

- (1) If a Limit of Insurance is shown in the Declarations for Building, in the event of damage by a Covered Cause of Loss we will pay for loss in value of the undamaged portion of the building as a consequence of enforcement of the minimum requirements of any ordinance or law that requires the demolition of undamaged parts of the same building.
- (2) The coverage provided by this Additional Coverage apply only if both (2)(a) and (2)(b)

are satisfied and are then subject to the qualifications set forth in (3).

- (a) The ordinance or law:
 - (i) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
 - (ii) Is in force at the time of loss.

But coverage under this Additional Coverage applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this Additional Coverage.

- (b) (i) The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or
 - (ii) The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.
 - (iii) But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this Additional Coverage even if the building has also sustained covered direct physical damage.
- (3) In the situation described in (2)(b)(ii) above, we will not pay the full amount of loss otherwise payable under the terms of this Additional Coverage. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of this Additional Coverage.

- (4) We will not pay under this Additional Coverage for:
 - (a) Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants"; or
 - (b) The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

(5) Specific or Blanket Insurance

(a) Specific Insurance

With respect to the building insured on a "specific insurance" basis that has sustained covered direct physical damage, we will pay under this Additional Coverage for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building as described in paragraph (6)(b)(i) and (6)(b)(ii) below.

(b) Blanket Insurance

With respect to the building insured on a "blanket insurance" basis that has sustained covered direct physical damage, we will pay under this Additional Coverage for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building as described in paragraph (6)(c) and (6)(d) below.

- (c) As used in this Additional Coverage, the terms "specific insurance" and "blanket insurance" have the following meanings: Specific insurance covers each item of insurance (for example, each building) under a separate Limit of Insurance. Blanket insurance covers two or more items of insurance (for example, a building and personal property in that building, or two buildings) under a single Limit of Insurance.
- (d) This Additional Coverage is included in the Limit of Insurance shown in the Declarations as applicable to the covered

building. This Additional Coverage does not increase the Limit of Insurance.

(6) Loss Payment

- (a) The following loss payment provision is subject to the apportionment procedures set forth in Paragraphs (2) and (3) above.
- (b) When there is a loss in value of an undamaged portion of a building to which this Additional Coverage applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

Specific Insurance

- (i) If Replacement Cost coverage applies on a "specific insurance" basis and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
 - a) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - b) The Limit of Insurance shown in the Declarations as applicable to the covered building.
- (ii) If Replacement Cost coverage applies on a "specific insurance" basis and the property is not repaired or replaced, or if the optional Actual Cash Value is applicable on a "specific insurance" basis to real property, we will not pay more than the lesser of:
 - a) The actual cash value of the building at the time of loss; or
 - b) The Limit of Insurance shown in the Declarations as applicable to the covered building.

(c) Blanket Insurance

If Replacement Cost coverage applies on a "blanket insurance" basis and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:

- (i) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
- (ii) The value individually stated for the covered building on the latest statement of values on file with us. If, at the time of loss, there is no statement of values on file with us or the value for the covered building or structure is not individually stated on the latest statement of values on file with us, the value of the building or structure will be determined by multiplying:
 - The total reported building and structure value; by
 - b) The proportion that the square footage of the individual building or structure bears to the total square footage of all buildings and structures contemplated in the total reported building and structure value.
- (d) If Replacement Cost coverage applies on a "blanket insurance" basis and the property is not repaired or replaced, or if the optional Actual Cash Value is applicable on a "blanket insurance" basis to real property, we will not pay more than the lesser of:
 - (i) The actual cash value of the building at the time of loss; or
 - (ii) The value individually stated for the covered building on the latest statement of values on file with us. If, at the time of loss, there is no statement of values on file with us or the value for the covered building or structure is not individually stated on the latest statement of values on file with us, the value of the building or structure will be determined by multiplying:
 - a) The total reported building and structure value; by
 - b) The proportion that the square footage of the individual building

- or structure bears to the total square footage of all buildings and structures contemplated in the total reported building and structure value.
- (7) The terms of this Additional Coverage apply separately to each building to which this Additional Coverage applies.
- (8) Under this Additional Coverage we will not pay for loss due to any ordinance or law that:
 - (a) You were required to comply with before the loss, even if the building was undamaged; and
 - (b) You failed to comply with.
- **11.** The following **Coverage Extensions** under Paragraph **A.7.** are changed as follows:
 - a. Business Income and Extra Expense From Dependent Property
 - (1) Paragraph A.7.d.(4)(a) is replaced by the following:
 - Applies to Dependent Property premises located worldwide; and
 - (2) The limit applicable to the Coverage Extension Business Income and Extra Expense From Dependent Property is increased from \$10,000 to \$50,000.
 - The limit applicable to the Coverage Extension – Business Income and Extra Expense – Newly Acquired Premises is increased from \$250,000 to \$500,000.
 - c. The expiration days applicable to the Coverage Extension – Newly Acquired or Constructed Property for Business Income and Extra Expense is increased from 90 days to 180 days.
 - d. Two of the limits applicable to the Coverage Extension – Electronic Data Processing are changed as follows:
 - (1) The limit applicable to "Electronic Data Processing Equipment" and to "Electronic Data Processing Data and Media" while in transit or at premises other than the described premises is increased from \$25,000 to \$75,000.
 - (2) The limit applicable to loss or damage to "Electronic Data Processing Data and Media" caused by or resulting from "electronic vandalism" is increased from

\$25,000 to \$50,000.

- e. The limit applicable to the Coverage Extension Non-owned Detached Trailers is increased from \$5,000 to \$25,000.
- f. The limit applicable to the Coverage Extension Ordinance or Law Increased "Period of Restoration" is increased from \$25,000 to \$50,000.
- **12.** The following **Coverage Extensions** are added to Paragraph **A.7.**:
 - a. Business Income and Extra Expense Boil-Water Order
 - (1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur due to the "suspension" of your "operations" at the described premises caused by or resulting from a "boil-water order" due to a Covered Cause of Loss.
 - (2) The most we will pay under this Coverage Extension is \$10,000 at each described premises for the sum of all covered loss of Business Income and Extra Expense arising out of all "boil-water orders" occurring during each separate 12 month period of this policy beginning with the effective date of this endorsement.
 - (3) The coverage for Business Income and Extra Expense will begin 24 hours after the time the "boil-water order" goes into effect and will apply for a period of seven consecutive days after coverage begins.
 - (4) This Coverage Extension does not apply to any "boil-water order" while access to the described premises is prohibited by action of civil authority.
 - (5) With respect to this Coverage Extension, the following definition is provided:
 - "Boil-water order" means an advisory, notice, order or other communication issued by a governmental, health or water authority, requiring that water at the described premises should be boiled before consumption or use, due to actual or potential contamination.
 - b. Business Income and Extra Expense at Client or Virtual Office Premises

- (1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur due to the "suspension" of your business activities occurring at a "client or virtual office premises" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage caused by or resulting from a Covered Cause of Loss at a "client or virtual office premises".
- (2) With respect to this Coverage Extension, the "period of restoration" definition under Paragraph G. PROPERTY DEFINITIONS is replaced by the following:
 - "Period of Restoration" means the period of time that:
 - (a) Begins 24 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the "client or virtual office premises"; and
 - (b) Ends on the earlier of:
 - (i) The date when the property at the "client or virtual office premises" should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (ii) The date when "client or virtual office premises" is resumed at a new permanent location; and
 - (c) Does not include any increased period required due to the enforcement of any ordinance or law that:
 - (i) Regulates the construction, use or repair, or requires the tearing down of any property; or
 - (ii) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

(3) This Coverage Extension applies to

- "client or virtual office premises" located within the Coverage Territory.
- (4) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume your business activities at a "client or virtual office premises" in whole or in part, by using any other available:
 - (a) Source of materials; or
 - (b) Outlet for your products.
- (5) This Coverage Extension does not apply to loss caused by or resulting from loss or damage to property:
 - (a) At the premises of a "dependent property";
 - (b) At any location to which the Business Income and Extra Expense Newly Acquired Premises Coverage Extension applies; or
 - (c) In the due course of transit.
- (6) The most we will pay under this Coverage Extension for the sum of Business Income and Extra Expense you incur in any one occurrence is \$25,000 regardless of the number of "client or virtual office premises" involved.
- (7) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

c. Business Personal Property at Client or Virtual Office Premises

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at any described premises, you may extend that insurance to apply to direct physical loss of or damage to Business Personal Property caused by or resulting from a Covered Cause of Loss while such property is located at a "client or virtual office premises".
- (2) This Coverage Extension also applies to personal property that is:
 - (a) Owned by an "employee"; and
 - (b) Used for your business;
 - while such property is located at a "client or virtual office premises" and sustains direct physical loss or damage caused by or resulting from a Covered Cause of Loss.
- (3) This Coverage Extension does not apply

to property:

- (a) Otherwise covered under the following Additional Coverages;
 - (i) Blanket Coverage Limit of Insurance Accounts Receivable:
 - (ii) Blanket Coverage Limit of Insurance Valuable Papers and Records; or
 - (iii) Fine Arts.
- **(b)** Otherwise covered under the following Coverage Extensions:
 - (i) Accounts Receivable;
 - (ii) Business Personal Property Off Premises;
 - (iii) Electronic Data Processing;
 - (iv) Sales Representative's Samples; or
 - (v) Valuable Papers and Records.
- (4) The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$25,000 regardless of the number of "client or virtual office premises" involved.
- (5) Payments under this Coverage Extension are in addition to the applicable Limits of Insurance.

d. Civil Authority - Homicide or Suicide

- (1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur caused by action of civil authority that prohibits access to the described premises due to a homicide or suicide occurring at such premises.
- (2) The coverage for Business Income and Extra Expense will begin immediately after the time of that action and will apply for a period of one week after coverage begins.

e. Computer Fraud and Funds Transfer Fraud

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to:

- (a) Loss of or damage to Business Personal Property resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside the building at the described premises or "banking premises":
 - (i) To a person (other than a "messenger") outside those premises; or
 - (ii) To a place outside those premises.
- (b) Loss of "money" and "securities" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "money" and "securities" from your "transfer account".
- (2) With respect to the coverage provided by this Coverage Extension, Paragraph B. Exclusions is amended as follows:
 - (a) Paragraph B.2.o. does not apply.
 - (b) Paragraph B.2.i. does not apply.
 - (c) The following exclusion is added: We will not pay for loss or damage caused by or resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.
- (3) With respect to this Coverage Extension, occurrence means an act or series of related acts involving one or more persons; or an act or event, or a series of related acts or events not involving any person is considered one occurrence.
- (4) The most we will pay under this Coverage Extension in any one occurrence is the limit of insurance shown in the above schedule, regardless of the number of premises involved.

f. Covered Leasehold Interest – Undamaged Improvements and Betterments

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to your interest as tenant in improvements and betterments, as defined in Section A.1.b.(3) of this Coverage Form, which are not damaged or destroyed, but which you lose due to the cancellation of your lease by your landlord. The cancellation of your lease by your landlord must:

- (a) Result from direct physical loss of or damage to property at the described premises where your improvements and betterments are located, caused by or resulting from a Covered Cause of Loss; and
- **(b)** Be permitted in accordance with the conditions of your written lease agreement.
- (2) The most we will pay in any one occurrence under this Coverage Extension is:
 - (a) The applicable Business Personal Property Limit of Insurance; or
 - **(b)** \$25,000;

whichever is less.

g. Deferred Payments

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to your interest in such business personal property that is sold by you under an installment plan, conditional sale, trust agreement or other deferred payment plan when, as a result of direct physical loss of or damage to such property:
 - (a) Occurring within the Coverage Territory at any location, or in transit, after delivery to buyers; and
 - **(b)** Caused by a Covered Cause of Loss; the buyer refuses to continue payments owed to you for such property and, as a result, you repossess the remaining damaged property of value, if any.
- (2) The value of your loss under this Coverage Extension will be determined as follows:
 - (a) In the event of partial loss to property, the value of your loss will be:
 - (i) The unpaid balance shown on your books as due from the buyer for such property, excluding any interest or fees due; minus

- (ii) The actual cash value of the repossessed damaged property.
- (b) In the event of a total loss to property, the value of your loss will be the unpaid balance shown on your books as due from the buyer for such property, excluding any interest or fees due.
- (3) The following is added to A.2. Property And Costs Not Covered, but only with respect to this Coverage Extension.

Personal property sold by you under an installment plan, conditional sale, trust agreement or other deferred payment plan after delivery to the purchasers except as provided in the Deferred Payments Coverage Extension;

(4) The most we will pay in any one occurrence under this Coverage Extension is \$25,000.

h. Food Contamination Costs

- (1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary "food contamination expense" you incur due to the "suspension" of your "operations" during the "period of restoration". The "suspension" must be required by a "Public Health Authority" due to discovery of, suspicion of, or exposure to "food contamination" at the described premises.
- (2) The following exclusions do not apply to this Coverage Extension if such excluded causes of loss result in any "food contamination" to which this Coverage Extension applies:
 - (a) Exclusion B.2.d.(7)(d), changes in flavor, color, texture or finish;
 - **(b)** Exclusion **B.2.d.(8)**, contamination by other than "pollutants";
 - (c) Exclusion, B.2.k., Pollution; and In addition, any Exclusion of Loss Due to Virus or Bacteria endorsement which is applicable to this Coverage Form does not apply to "food contamination" that results from a "communicable disease" to which this Coverage Extension applies.
- (3) We will not pay any fines or penalties

- levied against you by the "Public Health Authority" as a result of the discovery or suspicion of "food contamination" at the described premises.
- (4) The most we will pay under this Coverage Extension for the sum of all covered loss and expenses during each separate 12 month period of this policy beginning with the effective date of this endorsement is the Limit of Insurance shown in the Schedule above for Food Contamination.
- (5) Payments under this Coverage Extension are in addition to the applicable Limits of Insurance.
- (6) The following PROPERTY DEFINITIONS are added with respect to this Coverage Extension:
 - (a) "Communicable Diseases" a viral or bacterial micro-organism that induces or is capable of inducing physical illness or disease.
 - (b) "Food Contamination" means a condition in your food which has caused, or is suspected of causing, food poisoning of one or more of your patrons. Such "food contamination" must result from:
 - (i) Tainted food purchased by you;
 - (ii) Food which has been improperly processed, stored, handled or prepared in the course of your "operations"; or
 - (iii) A "Communicable Disease" transmitted by one or more of your "employees".

(c) "Food Contamination Expense" means:

- Your costs to clean and sanitize your machinery and equipment as directed by the "Public Health Authority";
- (ii) Your costs to replace your food declared contaminated by the "Public Health Authorities";
- (iii) Your extra costs of advertising including, but not limited to, the expense of telephone, radio, television, newspaper and other media announcements.

- (iv) Your expense to provide necessary medical tests or vaccinations for your "employees" who are potentially infected by the "food contamination". However, we will not pay for any expense that is otherwise covered under Workers' Compensation policy.
- (d) "Public Health Authority" means any governmental authority having jurisdiction over your "operations" relating to health and hygiene standards necessary to protect the general public.

(e) "Period of Restoration"

With respect to this Coverage Extension means the period of time that:

- (i) Begins 24 hours after you receive notification from the "Public Health Authority" that your "operations" are to be temporary closed; and
- (ii) Ends with the notifications from the same "Public Health Authority" that your "operations" can be resumed.

i. Limited Building Coverage - Tenant Obligation

- (1) If:
 - (a) You are a tenant;
 - **(b)** A Limit of Insurance is shown in the Declarations for Business Personal Property; and
 - (c) You are contractually obligated to repair or replace that part of a building you occupy as a tenant;
 - at the described premises, you may extend that insurance to apply to direct physical loss of or damage to that part of a building you occupy as a tenant caused by or resulting from a Covered Cause of Loss other than "theft" or attempted "theft".
- (2) This Coverage Extension does not apply to any otherwise covered:
 - (a) Building glass; or
 - (b) Tenants improvements and betterments as described in Paragraph A.1.b.(3).

(3) The most we will pay under this Coverage Extension in any one occurrence is \$50,000 at each described premises.

j. Property in Transit

- (1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur due to the "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage caused by or resulting from a Covered Cause of Loss to Covered Property while in the due course of transit at your risk within the Coverage Territory.
- (2) This Coverage Extension does not apply to loss caused by or resulting from loss or damage to:
 - (a) Shipments by a government postal service, except by registered mail;
 - (b) Export shipments once:
 - (i) The shipment is loaded onboard the export conveyance; or
 - (ii) Coverage under an Ocean Marine or other insurance policy covering the shipment begins;

whichever is earlier;

- (c) Import shipments until:
 - (i) The shipment is unloaded from the importing conveyance; or
 - (ii) Coverage under an Ocean Marine or other insurance policy covering the property ends;

whichever is later:

- (d) Property of others for which you are responsible while acting as a common or contract carrier, freight forwarder, freight consolidator, or freight broker or public warehouseman;
- (e) Property within a conveyance or container caused by "theft" while the conveyance or container is unattended unless the portion of the conveyance or container containing the property is fully enclosed and securely locked, and the "theft" is by

forcible entry of which there is visible evidence; or

- (f) The transporting conveyance.
- (3) With respect to this Coverage Extension, the "period of restoration" definition under Paragraph G. PROPERTY DEFINITIONS is replaced by the following:

"Period of Restoration" means the period of time that:

- (a) Begins 24 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss in the due course of transit;
- (b) Ends on the date when the property in the due course of transit should be repaired, rebuilt or replaced with reasonable speed and similar quality; and
- (c) Does not include any increased period required due to the enforcement of any ordinance or law that:
 - (i) Regulates the construction, use or repair, or requires the tearing down of any property; or
 - (ii) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

- (4) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume your business activities in the due course of transit in whole or in part, by using any other available:
 - (a) Source of materials; or
 - (b) Outlet for your products.
- (5) This Coverage Extension does not apply to loss caused by or resulting from loss or damage to property:
 - (a) At the premises of a "dependent property";
 - (b) At any location to which the Business Income and Extra Expense at Client or Virtual Office Premises Coverage

Extension applies; or

- (c) At any location to which the Business Income and Extra Expense Newly Acquired Premises Coverage Extension applies.
- (6) The most we will pay under this Coverage Extension for the sum of Business Income and Extra Expense you incur in any one occurrence is \$25,000. This limit applies regardless of the number of locations involved.
- (7) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

k. Sales Representative's Samples

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property, you may extend that insurance to apply to:
 - (a) Samples of your stock in trade (including containers); and
 - (b) Similar property of others;
 - while such property is in the custody of your sales representatives, or agents, or yourself while acting as a sales representative, including while in transit.
- (2) We will not pay for loss or damage caused by "theft" of Covered Property from an unattended vehicle. But we will pay for "theft" of Covered Property from an unattended vehicle if at the time of the "theft", all the vehicle's doors, windows and compartments were closed and locked and there are visible signs that the "theft" was a result of forced entry.
- (3) The most we will pay for loss or damage for property in the custody of any one sales representative in any one occurrence is \$25,000.

I. Spoilage Coverage

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to Perishable Stock caused by or resulting from a covered cause of loss described in Paragraph (3) below and not excluded in Paragraph (4) below.
- (2) This Coverage Extension does not apply to Perishable Stock while located:

- (a) On buildings;
- (b) In the open; or
- (c) In vehicles.
- (3) With respect to this Coverage Extension, covered cause of loss means the following:
 - (a) Breakdown or Contamination, meaning:
 - (i) Change in temperature or humidity resulting from mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; or
 - (ii) Contamination by a refrigerant, only while the refrigerating apparatus or equipment is at the described premises; or
 - (b) Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.
- (4) The following exclusions apply to this Coverage Extension:
 - (a) We will not pay for loss or damage caused directly or indirectly by any of the following, regardless of any other cause or event that contributes concurrently or in any sequence to the loss:
 - (i) Manual disconnecting of any refrigeration, cooling, heating or humidity control system from the source of electric power;
 - (ii) Terminating of electric power due to throwing or turning off any switch or other device usual to the shutting off of electric power, on the described premises; or
 - (iii) Intentional decision of an electric utility company or other source of electric power not to provide sufficient power or the inability of such company or source to provide sufficient power, due to lack of fuel, governmental order or lack of generating capacity to meet the demand.

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- (b) Paragraph B.1.b. Earth Movement;
- (c) Paragraph B.1.c. Governmental Action;
- (d) Paragraph B.1.d. Nuclear Hazard;
- (e) Paragraph B.1.f. War and Military Action:
- (f) Paragraph B.1.g. Water; and
- (g) Paragraph B.1.h. Neglect.

No other exclusions in Paragraph B. Exclusions apply to this Coverage Extension. However, if any exclusions are added by endorsement to this Coverage Form, such exclusions will apply to this Coverage Extension.

- (5) With respect to this Coverage Extension, Perishable Stock means personal property:
 - (a) Maintained under controlled conditions for its preservation; and
 - **(b)** Susceptible to loss or damage if the controlled temperature or humidity conditions change.
- (6) The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$10,000, regardless of the number of premises involved.

m. Undamaged Parts of Stock in Process

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to the reduction in value of the undamaged remaining parts of "stock" which becomes unmarketable when the reduction is caused by direct physical loss or damage from a Covered Cause of Loss to other parts of "stock".
- (2) The most we will pay under this Coverage Extension in any one occurrence is \$25,000.

n. Utility Services - Time Element

(1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the loss of Business Income or Extra Expense caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following

property not on the described premises:

- (a) "Water Supply Services";
- (b) "Communication Supply Services"; or
- (c) "Power Supply Services".
- (2) We will only pay for loss of Business Income you sustain and Extra Expense you incur after 48 consecutive hours following the direct physical loss or damage to the following property not on the described premises;
 - (a) "Water Supply Services";
 - (b) "Communication Supply Services"; or
 - (c) "Power Supply Services".

This Coverage Extension does not apply to any reduction of income after service has been restored to your premises.

- (3) With respect to this Coverage Extension, Paragraphs G.3.b and G.22.b are deleted.
- (4) The most we will pay for loss under this Coverage Extension is \$2,500 at each described premises, but we will not pay more than \$10,000 in any one occurrence, regardless of the number of premises involved.

o. Water or Sewage Back Up and Sump Overflow

- (1) When the Declarations show that you have coverage for Building or Business Personal Property, you may extend that insurance to apply to direct physical loss of or damage to Covered Property at the described premises caused by or resulting from water or sewage that backs up or overflows from a sewer, drain or sump that is inside a building at the described premises.
- (2) When the Declarations show that you have coverage for Business Income and Extra Expense, you may also extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur caused by or resulting from water or sewage that backs up or overflows from a sewer, drain or sump that is inside a building at the described premises.
- (3) Paragraph **B.1.g.**(3) does not apply to this Coverage Extension.

- (4) The most we will pay under this Coverage Extension in any one occurrence is \$50,000, regardless of the number of described premises involved. Amounts payable under any coverage, including any Additional Coverage or Coverage Extension, do not increase this limit.
- **13.** The following is added to Paragraph E. PROPERTY LOSS CONDITIONS:

Pairs, sets or parts:

- (1) In case of loss to any part of a pair or set we may at our option:
 - (a) Repair or replace any part to restore the pair or set to its value before the loss; or
 - **(b)** Pay the difference between the value of the pair or set before and after the loss.
- (2) In case of loss to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.
- 14. The following is added to Paragraph F. COMMERCIAL PROPERTY CONDITIONS:

Unintentional Errors In Description

Your error in how you describe the address of a location in the Location Schedule shall not prejudice coverage afforded by this policy, provided such error is not intentional. Any such error shall be reported and corrected when discovered and appropriate premium charged.

- **15.** The following definitions are added to Paragraph **G. PROPERTY DEFINITIONS**:
 - a. "Client or Virtual Office Premises" means the interior of that portion of any building occupied by an "employee", including:
 - (1) An "employee's" residence; or
 - (2) A client's business location.

Client or virtual office premises does not include any location that is described in the Declarations or reported to or accepted by us

for coverage under this Coverage Form.

- b. "Fraudulent instruction" means:
 - (1) An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;
 - (2) A written instruction (other than those described in Paragraph A.6.i.) issued by you, which was forged or altered by someone other than you without your knowledge or consent or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or
 - (3) An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by you which purports to have been transmitted by an "employee" but which was in fact fraudulently transmitted by someone else without your or the "employee's" knowledge or consent.
- **c.** "Messenger" means you, or a relative of yours, or any of your partners or "members", or any "employee" while having care and custody of property outside the premises.
- d. "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "money" and "securities":
 - (1) By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
 - (2) By means of written instructions (other than those described in Paragraph A.6.i.) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

POLICY NUMBER: 680-9N029386-19-42

BUSINESSOWNERS ISSUE DATE: 09/12/2019

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SEWER OR DRAIN BACK UP EXTENSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

SCHEDULE

Limit of Insurance \$ 50000

The following is added to Paragraph A. 7. Coverage Extensions:

Water or Sewage Back Up and Sump Overflow

- (1) When the Declarations show that you have coverage for Building or Business Personal Property, you may extend that insurance to apply to direct physical loss of or damage to Covered Property at the described premises caused by or resulting from water or sewage that backs up or overflows from a sewer, drain or sump.
- (2) When the Declarations show that you have coverage for Business Income and Extra Expense,
- you may also extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur caused by or resulting from water or sewage that backs up or overflows from a sewer, drain or sump.
- (3) Paragraph B.1.g.(3) does not apply to this Coverage Extension.
- (4) The most we will pay under this Coverage Extension in any one occurrence at each described premises is the Limit of Insurance shown in the Schedule above.

POLICY NUMBER: 680-9N029386-19-42

BUSINESSOWNERS
ISSUE DATE: 09/12/2019

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTIVE SAFEGUARDS ENDORSEMENT FOR SPRINKLERED LOCATIONS AND RESTAURANTS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE PART

SCHEDULE*

| Prem. | Bldg. | Protective Safeguards | Prem. | Bldg. | Protective Safeguards |
|-------|-------|-----------------------|-------|-------|-----------------------|
| No. | No. | Symbols Applicable | No. | No. | Symbols Applicable |
| 001 | 001 | P-1.P-9 | | | |

1. The following is added to the:

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM BUSINESSOWNERS PROPERTY COVERAGE STANDARD FORM

PROTECTIVE SAFEGUARDS

- a. As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.
- **b.** The protective safeguards to which this endorsement applies are identified by the following symbols:
 - "P-1" Automatic Sprinkler System, including related supervisory services

Automatic Sprinkler System means:

- Any automatic fire protective or extinguishing system, including connected;
 - (a) Sprinklers and discharge nozzles;

^{*} Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations

- (b) Ducts, pipes, valves and fittings;
- **(c)** Tanks, their component parts and supports; and
- (d) Pumps and private fire protection mains.
- (2) When supplied from an automatic fire protective system:
 - (a) Non-automatic fire protective systems; and
 - **(b)** Hydrants, standpipes and outlets.

"P-9" Protective system covering cooking surface as described in application for insurance on file with the company The following is added to the EXCLUSION section of:

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM BUSINESSOWNERS PROPERTY COVERAGE STANDARD FORM

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

- a. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
- **b.** Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE PART

The federal Terrorism Risk Insurance Act of 2002 as amended ("TRIA") establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in TRIA) caused by "Acts Of Terrorism" (as defined in TRIA). "Act Of Terrorism" is defined in Section 102(1) of TRIA to mean any act that is certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

The Federal Government's share of compensation for such Insured Losses is established by TRIA and is a percentage of the amount of such Insured Losses in excess of each Insurer's "Insurer Deductible" (as defined in TRIA), subject to the "Program Trigger" (as defined in TRIA). Through 2020, that percentage is established by TRIA as follows:

85% with respect to such Insured Losses occurring in calendar year 2015.

84% with respect to such Insured Losses occurring in calendar year 2016.

83% with respect to such Insured Losses occurring in calendar year 2017.

82% with respect to such Insured Losses occurring in calendar year 2018.

81% with respect to such Insured Losses occurring in calendar year 2019.

80% with respect to such Insured Losses occurring in calendar year 2020.

In no event, however, will the Federal Government be required to pay any portion of the amount of such Insured Losses occurring in a calendar year that in the aggregate exceeds \$100 billion, nor will any Insurer be required to pay any portion of such amount provided that such Insurer has met its Insurer Deductible. Therefore, if such Insured Losses occurring in a calendar year exceed \$100 billion in the aggregate, the amount of any payments by the Federal Government and any coverage provided by this policy for losses caused by Acts Of Terrorism may be reduced.

The charge for such Insured Losses under this Coverage Part is included in the Coverage Part premium. The charge for such Insured Losses that has been included for this Coverage Part is indicated below, and does not include any charge for the portion of such Insured Losses covered by the Federal Government under TRIA:

- 4% of your total Businessowners Coverage Part premium if your primary location is in a Designated City (as listed below).
- 2% of your total Businessowners Coverage Part premium if your primary location is not in a Designated City (as listed below).

| Designated Cities are: | | | |
|------------------------|------------------|------------------------|--------------------|
| Albuquerque, NM | El Paso, TX | Miami, FL | San Diego, CA |
| Atlanta, GA | Fort Worth, TX | Milwaukee, WI | San Antonio, TX |
| Austin, TX | Fresno, CA | Minneapolis, MN | San Francisco, CA |
| Baltimore, MD | Honolulu, HI | Nashville-Davidson, TN | San Jose, CA |
| Boston, MA | Houston, TX | New Orleans, LA | Seattle, WA |
| Charlotte, NC | Indianapolis, IN | New York, NY | St. Louis, MO |
| Chicago, IL | Jacksonville, FL | Oakland, CA | Tucson, AZ |
| Cleveland, OH | Kansas City, MO | Oklahoma City, OK | Tulsa, OK |
| Colorado Springs, CO | Las Vegas, NV | Omaha, NE | Virginia Beach, VA |
| Columbus, OH | Long Beach, CA | Philadelphia, PA | Washington, DC |
| Dallas, TX | Los Angeles, CA | Phoenix, AZ | Wichita, KS |
| Denver, CO | Memphis, TN | Portland, OR | |
| Detroit, MI | Mesa, AZ | Sacramento, CA | |

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN – SERVICE INTERRUPTION LIMITATION

This endorsement modifies insurance provided under the following:
BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

- A. The BUSINESSOWNERS PROPERTY COVER-AGE SPECIAL FORM is changed as follows:
 - The following is added to Paragraph A.7. Coverage Extensions i. Equipment Breakdown:
 - (9) With respect to Service Interruption coverage, we will not pay under this Coverage Extension for loss or damage caused by or resulting from any of the following:
 - (a) Fire;
 - (b) Lightning;
 - (c) Windstorm or hail;

- (d) Explosion (except for steam or centrifugal explosion);
- (e) Smoke;
- (f) Aircraft or vehicles;
- (g) Riot or civil commotion;
- (h) Vandalism;
- (i) Sprinkler Leakage;
- (j) Falling objects;
- (k) Weight of snow, ice or sleet;
- (I) Freezing; or
- (m) Collapse

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY PROVISIONS – GREEN BUILDING AND BUSINESS PERSONAL PROPERTY COVERAGE ENHANCEMENTS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

A. DEFINITIONS

As used in this endorsement:

- "Green" means products, materials, methods and processes that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize the environmental impact.
- "Green Authority" means a recognized authority on green building or green products, materials or processes.
- B. The BUSINESSOWNERS PROPERTY COVER-AGE SPECIAL FORM is changed as follows:
 - The following Additional Coverages are added:
 - a. Green Building Alternatives Increased Cost
 - (1) If direct physical loss or damage by a Covered Cause of Loss occurs to a building that is covered property, we will pay for:
 - (a) The reasonable additional cost you incur to repair or replace the lost or damaged portions of the building using products or materials that:
 - (i) Are "green" alternatives to the products or materials of the lost or damaged property, in accordance with the documented standards of a "Green Authority"; and
 - (ii) Are otherwise of comparable quality and function to the damaged property;

and

- (b) The reasonable additional cost you incur to employ "green" methods or processes of construction, disposal or recycling in the course of the repair and replacement of the lost or damaged building, in accordance with the documented standards of a "Green Authority".
- (2) The insurance provided under this Additional Coverage applies only if replacement cost valuation applies to the lost or damaged building and then only if the building is actually repaired or replaced as soon as reasonably possible after the loss or damage.
- (3) The insurance provided under this Additional Coverage does not apply to any building that has been "vacant" for more than 60 consecutive days before the loss or damage occurs.
- (4) The most we will pay for the additional cost incurred with respect to each building in any one occurrence under this Additional Coverage is determined by:
 - (a) Multiplying 5%; times
 - (b) The amount we would otherwise pay for the direct physical loss of or damage to the building, prior to application of any applicable deductible.
- (5) However, the most we will pay for the additional cost incurred in any one occurrence, regardless of the number of buildings involved, is \$25,000.

- Green Building Reengineering and Recertification Expense
 - (1) If, as a result of direct physical loss or damage by a Covered Cause of Loss to a building that is Covered Property, the pre-loss level of "green" building certification by a "Green Authority" on the building is lost, we will pay for the following reasonable additional expenses you incur to re-attain the preloss level of "green" building certification from that "Green Authority":
 - (a) The reasonable additional expense you incur to hire a qualified engineer or other professional required by the "Green Authority" to be involved in:
 - (i) Designing, overseeing or documenting the repair or replacement of the lost or damaged building; or
 - (ii) Testing and recalibrating the systems and mechanicals of the lost or damaged building to verify that the systems and mechanicals are performing in accordance with the design of such systems and mechanicals or the specifications of the manufacturer;

and

- (b) The reasonable registration and recertification fees charged by the "Green Authority".
- (2) This Additional Coverage applies to the additional expenses described above that you incur to achieve the pre-loss level of "green" building certification in accordance with the standards of the "Green Authority" that exist at the time of repair or replacement, even if the standards have changed since the original certification was achieved.
- (3) The insurance provided under this Additional Coverage does not apply to any building that has been "vacant" for more than 60 consecutive days before the loss or damage occurs.

- (4) The most we will pay in any one occurrence under this Additional Coverage for:
 - (a) All expenses incurred with respect to each building is 5% of the sum of:
 - (i) The amount we pay for the direct physical loss of or damage to the building, including any amount paid under the Green Building Alternatives – Increased Cost Additional Coverage; and
 - (ii) The deductible amount applied to the loss payment for direct physical loss or damage to the building;
 - (b) All expenses incurred, regardless of the number of buildings involved, is \$25,000.
- 2. The following Coverage Extensions are added:
 - a. Green Building and Business Personal Property Alternatives – Increased Period of Restoration
 - (1) If:
 - (a) Direct physical loss or damage by a Covered Cause of Loss occurs to a building at the described premises or Business Personal Property at the described premises to which the Green Business Personal Property Alternatives – Increased Cost Coverage Extension applies; and
 - (b) The Declarations show that you have coverage for Business Income and Extra Expense;

you may extend that insurance to include the amount of actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur during the increase in the "period of restoration" that is reasonably necessary to:

(i) Repair or replace the lost or damaged portions of the building or Business Personal Property (as described in Green Business Personal

Property Alternatives – Increased Cost Coverage Extension) using products or materials that:

- a) Are "green" alternatives to the products or materials of the lost or damaged property, in accordance with the documented standards of a "Green Authority"; and
- Are otherwise of comparable quality and function to the damaged property;

and

(ii) Employ "green" methods or processes of construction, disposal or recycling in the course of the repair and replacement of the lost or damaged building or Business Personal Property (as described in Green Business Personal Property Alternatives – Increased Cost Coverage Extension), in accordance with the documented standards of a "Green Authority";

subject to a maximum of 30 additional days from the date the "period of restoration" would otherwise have ended.

- (2) This Coverage Extension is included in, and does not increase, the amount of coverage available based on the applicable Business Income and Extra Expense provision shown in the Declarations.
- Green Business Personal Property Alternatives Increased Cost
 - (1) If:
 - (a) The Declarations show that you have coverage for Business Personal Property; and
 - (b) Direct physical loss or damage by a Covered Cause of Loss occurs to covered Business Personal Property at the described premises; and

(c) Such loss or damage requires replacement of such property, or with respect to improvements and betterments, requires repair or replacement;

you may extend that insurance to apply to the reasonable additional cost you incur to replace the lost or damaged Business Personal Property, or with respect to improvements and betterments, to repair or replace the lost or damaged portions of such improvements and betterments, using products or materials that:

- (i) Are "green" alternatives to the products or materials of the lost or damaged property, in accordance with the documented standards of a "Green Authority"; and
- (ii) Are otherwise of comparable quality and function to the damaged property.
- (2) With respect to improvements and betterments you may also extend that insurance to apply to the reasonable additional cost you incur to employ "green" methods or processes of construction, disposal or recycling in the course of the repair and replacement of the lost or damaged building, in accordance with the documented standards of a "Green Authority".
- (3) The insurance provided under this Coverage Extension applies only if replacement cost valuation applies to the lost or damaged property and then only if the property is actually repaired or replaced as soon as reasonably possible after the loss or damage.
- (4) This Coverage Extension does not apply to "stock" or property of others that is in your care, custody or control
- (5) The insurance provided under this Coverage Extension does not apply to Business Personal Property at any building that has been "vacant" for more than 60 consecutive days before the loss or damage occurs.

- (6) The most we will pay in any one occurrence under this Coverage Extension for the increased cost incurred with respect to the damaged property to which this Coverage Extension applies is determined by:
 - (a) Multiplying 5%; times
 - (b) The amount we would otherwise pay for the direct physical loss of or damage to the business personal property, prior to application of any applicable deductible.
- (7) However, the most we will pay for the additional cost incurred in any one occurrence, regardless of the number of described premises involved, is \$25,000.
- 3. The following provision is added to the Loss Payment Loss Condition in Section E.4.:

Except as specifically provided under the:

- a. Green Building Alternatives Increased Cost Additional Coverage; and
- Green Building Reengineering and Recertification Expense Additional Coverage; and
- Green Business Personal Property Alternatives – Increased Cost Coverage Extension;

the cost to repair, rebuild or replace does not include any increased cost incurred to re-

- attain a pre-loss level of "green" building certification from a "Green Authority".
- This endorsement does not apply to property covered under the Newly Acquired or Constructed Property Additional Coverage.
- 5. With respect to the Additional Coverages and Coverage Extensions of this endorsement we will not pay for any Business Income or Extra Expense loss caused by or resulting from obtaining "green" building certification from a "Green Authority". However, this does not apply to any increase in the "period of restoration" required to re-attain a pre-loss level of "green" building certification from a "Green Authority" as otherwise covered under the Green Building and Business Personal Property Alternatives Increased Period of Restoration Coverage Extension.
- 6. Under the DEFINITIONS in Section G. the following is added to the definition of "period of restoration":

"Period of restoration" does not include any increased period required to re-attain a preloss level of "green" building certification from a "Green Authority". But this does not apply to any increase in the "period of restoration" otherwise covered under the Green Building and Business Personal Property Alternatives — Increased Period of Restoration Coverage Extension.

BUSINESSOWNERS
ISSUE DATE: 09/12/2019

POLICY NUMBER: 680-9N029386-19-42

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPOILAGE COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

SCHEDULE

| Premises Location | Building | |
|----------------------|----------|-------------------------|
| Number | Number | Description of Property |
| 001 | 001 | ALL PERISHABLE GOODS |

| | | Refrigeration | Causes of Loss: | | |
|-----------------------|------------|--------------------------|-------------------------------|-----------------|------------------|
| Limit of Insurance | Deductible | Maintenance Agreement | Breakdown or Contamination | Power Outage | Selling Price |
| \$5,000 | \$ 250 | | Х | x | |

- A. The BUSINESSOWNERS PROPERTY COVER-AGE SPECIAL FORM is changed as follows:
 - 1. The following is added to Paragraph A.7.:

Spoilage Coverage

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises and such described premises is shown in the schedule above, you may extend that insurance to apply to direct physical loss of or damage to Perishable Stock caused by or resulting from a covered cause of loss described in Paragraph (3) below and not excluded in Paragraph (4) below.
- (2) This Coverage Extension does not apply to Perishable Stock while located:
 - (a) On buildings;
 - (b) In the open; or
 - (c) In vehicles.
- (3) With respect to this Coverage Extension, covered cause of loss means the follow-

ing only if indicated by an "X" in the schedule above:

- (a) Breakdown or Contamination, meaning:
 - (i) Change in temperature or humidity resulting from mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; or
 - (ii) Contamination by a refrigerant, only while the refrigerating apparatus or equipment is at the described premises shown in the schedule; or
- (b) Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

- (4) The following exclusions apply to this Coverage Extension:
 - (a) We will not pay for loss or damage caused directly or indirectly by any of the following, regardless of any other cause or event that contributes concurrently or in any sequence to the loss:
 - (i) Manual disconnecting of any refrigeration, cooling, heating or humidity control system from the source of electric power;
 - (ii) Terminating of electric power due to throwing or turning off any switch or other device usual to the shutting off of electric power, on the premises shown in the schedule above; or
 - (iii) Intentional decision of an electric utility company or other source of electric power not to provide sufficient power or the inability of such company or source to provide sufficient power, due to lack of fuel, governmental order or lack of generating capacity to meet the demand.
 - (b) Paragraph B.1.b. Earth Movement;
 - (c) Paragraph B.1.c. Governmental Action:
 - (d) Paragraph B.1.d. Nuclear Hazard;
 - (e) Paragraph B.1.f. War and Military Action:
 - (f) Paragraph B.1.g. Water; and
 - (g) Paragraph B.1.h. Neglect.

No other exclusions in Paragraph B. Exclusions apply to this Coverage Extension. However, if any exclusions are added by endorsement to this Coverage Form, such exclusions will apply to this Coverage Extension.

(5) Under this Coverage Extension, the following coverages also apply:

(a) Claim Mitigation Expense

We will pay the reasonable expenses you incur to prevent or reduce loss or damage to the extent that such loss or damage is reduced, but such payment will not increase the applicable Limit of Insurance.

(b) Clean-up and Disposal

We will pay your expenses to cleanup and dispose of spoiled Covered Property. Payment for Clean-up and Disposal is included within the Limit of Insurance shown in the schedule above.

(6) With respect to this Coverage Extension, if Selling price is indicated by an "X" in the schedule above, the following is added to Paragraph E.4.:

We will determine the value of finished Perishable Stock in the event of loss or damage at:

- (a) The selling price, as if no loss or damage had occurred;
- (b) Less discounts and expenses you otherwise would have had.
- (7) With respect to this Coverage Extension, Perishable Stock means personal property:
 - (a) Maintained under controlled conditions for its preservation; and
 - (b) Susceptible to loss or damage if the controlled temperature or humidity conditions change.
- (8) Subject to Paragraph (9) below, the most we will pay for loss or damage under this Coverage Extension in any one occurrence is the Limit of Insurance shown in the schedule above.
- (9) Regardless of the amount of the Businessowners Property Coverage Deductible, we will not pay for loss or damage under this Coverage Extension in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the schedule above. We will then pay the amount of loss or damage in excess of this Deductible, up to the applicable Limit of Insurance.
- (10) Paragraph C.2. does not apply to this Coverage Extension.

(11) Refrigeration Maintenance Agreement

- (a) If:
 - Breakdown or Contamination is designated by an "X" as a covered cause of loss in the schedule above; and
 - (ii) Refrigeration Maintenance Agreement is shown as applica-

ble by an "X" in the schedule above;

then the following condition applies:

You must maintain a Refrigeration Maintenance Agreement as described in Paragraph (b) below. If you voluntarily terminate this agreement and do not notify us, the insurance provided by this endorsement under the Breakdown or Contamination covered cause of loss will be auto-

- matically suspended at the described premises involved.
- (b) Refrigeration Maintenance Agreement means a written service contract, between you and the refrigeration service organization, which provides for regular periodic inspection of the refrigeration equipment at the insured location, and the servicing and repair of equipment, including emergency response at the insured location.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE PART

- A. The BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM is amended as follows:
 - **1.** Paragraph **(4)** under **A.6.d.** Employee Dishonesty coverage is replaced by the following:
 - a. This Additional Coverage is cancelled as to any "employee" immediately upon discovery by:
 - (1) You: or
 - (2) Any of your partners, "members", "managers", officers or directors not in collusion with the employee;

of any dishonest act committed by that employee before or after being hired by you.

However this paragraph A.6.d. does not apply to an employee whose dishonest act was committed prior to becoming employed by you and which resulted in the employee being convicted of one or more criminal offenses in this state or any other jurisdiction if, after learning about the employee's past criminal conviction or convictions, you made a determination to hire or retain the employee utilizing the factors set out in New York Correction Law Article 23-A.

- 2. If this policy covers the interest of the owner of any of the following types of buildings or structures:
 - Residential except owner-occupied single family or owner-occupied twofamily buildings or structures;
 - b. Commercial; or
 - c. Industrial;

the following provision is added:

Before payment to you for loss or damage to the above buildings or structures caused by or resulting from fire, we will:

(1) Deduct from your payment the claim of any tax district that issues a certificate of

- lien in accordance with the Insurance Law; and
- (2) Pay directly to the tax district the amount of the claim.

When we pay that claim, we will have no obligation to pay the amount of that claim to you. Our payment of that claim within 30 days of our receipt of the certificate of lien will be a conclusive presumption that the claim was valid and properly paid.

- 3. The following is added to Paragraph E.3. Duties In The Event Of Loss Or Damage Property Loss Conditions:
 - a. Notice given by or on your behalf; or
 - **b.** Written notice by or on behalf of any claimant;

to any of our agents in New York State, which adequately identifies you, will be the same as notice to us.

- **4.** The **Appraisal** Property Loss Condition is replaced by the following:
 - a. If we and you disagree on the value of the property, the extent of the loss or damage or the amount of the loss or damage, either may make written demand for an appraisal for the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of such demand.
 - b. If we or you fail to proceed with the appraisal of the covered loss after a written demand is made by either party, then either party may apply to a court having jurisdiction for an order directing the party that failed to proceed with the appraisal to comply with the demand for the appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser within 20 days of such order.

- c. The two appraisers will select an umpire. If they cannot agree within 15 days upon such umpire, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property, the extent of the loss or damage and the amount of the loss or damage. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding.
- d. Each party will:
 - (1) Pay its chosen appraiser; and
 - (2) Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we still retain our right to deny the claim.

5. The following provision is added to Paragraph **E. Property Loss Conditions**:

Estimation of Claims

Upon request, we will furnish you or your representative with a written estimate of damages to real property specifying all deductions, provided such an estimate has been prepared by us or has been prepared on our behalf for our own purposes. This estimate will be provided within 30 days after your request or its preparation, whichever is later.

Paragraph A.6.a. Arson and Theft Reward is deleted. B. The COMMON POLICY CONDITIONS are amended as follows:

The Examination of Your Books and Records Common Policy Condition is replaced by the following:

Examination of Your Books and Records

- Except as provided in 2. below, we may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.
- 2. We will conduct an audit to determine the final premium due or to be refunded, for coverage for which an advance or deposit premium was paid based on estimated exposure. But the audit may be waived if:
 - The total annual premium attributable to the auditable exposure base is not reasonably expected to exceed \$1,500; or
 - b. The policy requires notification to the insurer with the specified identification of any additional exposure units (e.g. buildings) for which coverage is requested.
- **3.** If the audit is not waived, it must be completed within 180 days after;
 - a. The expiration date of the policy;
 - **b.** The anniversary date, if this is a continuous policy or a policy written for a term longer than one year.

GENERAL LIABILITY



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COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II — Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section \mathbf{V} – Definitions.

SECTION I - COVERAGES

COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:
 - (1) The amount we will pay for damages is limited as described in Section III Limits Of Insurance; and
 - (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (2) The "bodily injury" or "property damage" occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
 - (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
 - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
 - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided that the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured will be deemed to be damages because of "bodily injury" or "property damage", provided that:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract": and
 - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

(3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - **(b)** Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that

- is used to heat, cool or dehumidify the building, or produced by or originating from equipment that is used to heat water for personal use by the building's occupants or their guests;
- (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire":
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) If such "pollutants" are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible;
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed

- to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured. contractor subcontractor;
- (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire"; or
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are or were at any time performing operations to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(b) Claim or suit by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) 50 feet long or less; and
 - **(b)** Not being used to carry any person or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft;
- (5) "Bodily injury" or "property damage" arising out of:
 - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify as "mobile equipment" under the definition of "mobile equipment" if such land vehicle were not subject to a compulsory or financial responsibility law, or other motor vehicle insurance law, where it is licensed or principally garaged; or

- (b) The operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment"; or
- (6) An aircraft that is:
 - (a) Chartered with a pilot to any insured;
 - (b) Not owned by any insured; and
 - **(c)** Not being used to carry any person or property for a charge.

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity

i. War

"Bodily injury" or "property damage" arising out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you:
- (4) Personal property in the care, custody or control of the insured;

- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "premises damage". A separate limit of insurance applies to "premises damage" as described in Paragraph 6. of Section III — Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "productscompleted operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

I. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "productscompleted operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and

accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data".

However, this exclusion does not apply to liability for damages because of "bodily injury".

q. Unsolicited Communication

"Bodily injury" or "property damage" arising out of any actual or alleged violation of any law that restricts or prohibits the sending, transmitting or distributing of "unsolicited communication".

r. Access Or Disclosure Of Conidfenital Or Personal Information

"Bodily injury" or "property damage" arising out of any access to or disclosure of any person's or organization's confidential or personal information.

s. Asbestos

(1) "Bodily injury" or "property damage" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of asbestos, asbestos fibers or products containing asbestos, provided that the "bodily injury" or "property damage" is caused or contributed to by the hazardous properties of asbestos.

- (2) "Bodily injury" or "property damage" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, and that are part of any claim or "suit" which also alleges any "bodily injury" or "property damage" described in Paragraph (1) above.
- (3) Any loss, cost or expense arising out of any:
 - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, asbestos, asbestos fibers or products containing asbestos; or
 - (b) Claim or suit by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, asbestos, asbestos fibers or products containing asbestos.

t. Employment-Related Practices

"Bodily injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - **(b)** Termination of that person's employment; or
 - (c) Employment-related practice, act or omission, such as coercion, evaluation, demotion, reassignment, discipline, failure to promote advance, harassment, humiliation, discrimination, libel, slander, violation of the person's right of privacy, malicious prosecution or false arrest, detention or imprisonment applied to or directed at that person, regardless of whether such practice, policy, act or omission occurs, is applied or is committed before, during or after the time of that person's employment; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the

employment-related practices described in Paragraph (a), (b), or (c) above is directed.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the "bodily injury".

Exclusions **c.** through **n.** do not apply to "premises damage". A separate limit of insurance applies to "premises damage" as described in Paragraph **6.** of Section III – Limits Of Insurance.

COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:
 - (1) The amount we will pay for damages is limited as described in Section III Limits Of Insurance: and
 - (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

This exclusion does not apply to "personal injury" caused by malicious prosecution.

Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication, including publication by electronic means, of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Or Used Prior To Policy Period

- (1) "Personal and advertising injury" arising out of oral or written publication, including publication by electronic means, of material whose first publication took place before the beginning of the policy period; or
- (2) "Advertising injury" arising out of infringement of copyright, "title" or "slogan" in your "advertisement" whose first infringement in your "advertisement" was committed before the beginning of the policy period.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Because of "personal injury" assumed by you in a contract or agreement that is an "insured contract", provided that the "personal injury" is caused by an offense committed subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed by you in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured will be deemed to be damages because of "personal injury", provided that:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed by you in the same "insured contract"; and
 - (b) Such attorneys' fees and litigation expenses are for defense of that party

against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

f. Breach Of Contract

"Advertising injury" arising out of a breach of contract.

g. Quality Or Performance Of Goods - Failure To Conform To Statements

"Advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Intellectual Property

"Personal and advertising injury" arising out of any actual or alleged infringement or violation of any of the following rights or laws, or any other "personal and advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation:

- (1) Copyright;
- (2) Patent;
- (3) Trade dress;
- (4) Trade name;
- (5) Trademark;
- (6) Trade secret; or
- (7) Other intellectual property rights or laws.

This exclusion does not apply to:

- (1) "Advertising injury" arising out of any actual or alleged infringement or violation of another's copyright, "title" or "slogan" in your "advertisement"; or
- (2) Any other "personal and advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation of another's copyright, "title" or "slogan" in your "advertisement".

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" caused by an offense committed by an insured whose business is:

(1) Advertising, "broadcasting" or publishing;

- (2) Designing or determining content of websites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs a.(1), (2) and (3) of the definition of "personal injury".

For the purposes of this exclusion:

- (1) Creating and producing correspondence written in the conduct of your business, bulletins, financial or annual reports, or newsletters about your goods, products or services will not be considered the business of publishing; and
- (2) The placing of frames, borders or links, or advertising, for you or others anywhere on the Internet will not, by itself, be considered the business of advertising, "broadcasting" or publishing.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts or owns, or over which the insured exercises control.

Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-Related

Any loss, cost or expense arising out of any:

- Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or

neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. War

"Personal and advertising injury" arising out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

p. Unsolicited Communication

"Personal and advertising injury" arising out of any actual or alleged violation of any law that restricts or prohibits the sending, transmitting or distributing of "unsolicited communication".

q. Access Or Disclosure Of Confidenital Or Personal Information

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information.

r. Asbestos

- (1) "Personal and advertising injury" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of asbestos, asbestos fibers or products containing asbestos, provided that the "personal and advertising injury" is caused or contributed to by the hazardous properties of asbestos.
- (2) "Personal and advertising injury" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, and that are part of any claim or "suit" which also alleges any "personal and advertising injury" described in Paragraph (1) above.
- (3) Any loss, cost or expense arising out of any:
 - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or

- assess the effects of, asbestos, asbestos fibers or products containing asbestos; or
- (b) Claim or suit by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, asbestos, asbestos fibers or products containing asbestos.

s. Employment-Related Practices

"Personal injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - **(b)** Termination of that person's employment; or
 - (c) Employment-related practice, policy, act or omission, such as coercion, demotion, evaluation, reassignment, discipline, failure to promote advance, harassment, humiliation, discrimination, libel, slander, violation of the person's right of privacy, malicious prosecution or false arrest, detention or imprisonment applied to or directed at that person, regardless of whether such practice, policy, act or omission occurs, is applied or is committed before, during or after the time of that person's employment; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal injury" to that person at whom any of the employment-related practices described in Paragraph (a), (b), or (c) above is directed.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the "personal injury".

COVERAGE C - MEDICAL PAYMENTS

1. Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
 - (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or

- **(3)** Because of your operations; provided that:
- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
 - (1) First aid administered at the time of an accident:
 - (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
 - (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

SUPPLEMENTARY PAYMENTS

- We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
 - a. All expenses we incur.
 - b. Up to \$2,500 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
 - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.
 - e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
 - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

- 2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
 - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - **b.** This insurance applies to such liability assumed by the insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been

- assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" or offense are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the "suit"; and
 - **(b)** Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I — Coverages — Coverage A — Bodily Injury And Property Damage Liability or Paragraph 2.e. of Section I — Coverages — Coverage B — Personal And Advertising Injury Liability, such payments will not be deemed to be damages for "bodily injury", "property damage" or "personal injury", and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- **a.** We have used up the applicable limit of insurance in the payment of judgments, settlements or medical expenses; or
- **b.** The conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

SECTION II - WHO IS AN INSURED

- 1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
- 2. Each of the following is also an insured:
 - a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
 - (1) "Bodily injury" or "personal injury":
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer

- workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

Unless you are in the business or occupation of providing professional health care services, Paragraphs (1)(a), (b), (c) and (d) above do not apply to "bodily injury" arising out of providing or failing to provide first aid or "Good Samaritan services" by any of your "employees" or "volunteer workers", other than an employed or volunteer doctor. Any such "employees" or "volunteer workers" providing or failing to provide first aid or "Good Samaritan services" during their work hours for you will be deemed to be acting within the scope of their employment by you or performing duties related to the conduct of your business.

- (2) "Property damage" to property:
 - (a) Owned, occupied or used by;
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- **b.** Any person (other than your "employee" or "volunteer worker"), or any organization, while acting as your real estate manager.
- **c.** Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.

- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
- e. Any person or organization that, with your express or implied consent, either uses or is responsible for the use of a watercraft that you do not own that is:
 - (1) 50 feet long or less; and
 - (2) Not being used to carry any person or property for a charge.
- 3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and of which you are the sole owner or in which you maintain an ownership interest of more than 50%, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
 - a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

For the purposes of Paragraph 1. of Section II – Who Is An Insured, each such organization will be deemed to be designated in the Declarations as:

- **a.** An organization, other than a partnership, joint venture or limited liability company; or
- b. A trust;

as indicated in its name or the documents that govern its structure.

- 4. Any person or organization that is a premises owner, manager or lessor and that you have agreed in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" that:
 - a. Is "bodily injury" or "property damage" that occurs, or is "personal and advertising injury" caused by an offense that is committed, subsequent to the signing of that contract or agreement; and

b. Arises out of the ownership, maintenance or use of that part of any premises leased to you.

The insurance provided to such premises owner, manager or lessor is subject to the following provisions:

- a. The limits of insurance provided to such premises owner, manager or lessor will be the minimum limits that you agreed to provide in the written contract or agreement, or the limits shown in the Declarations, whichever are less.
- **b.** The insurance provided to such premises owner, manager or lessor does not apply to:
 - (1) Any "bodily injury" or "property damage" that occurs, or "personal and advertising injury" caused by an offense that is committed, after you cease to be a tenant in that premises; or
 - (2) Structural alterations, new construction or demolition operations performed by or on behalf of such premises owner, manager or lessor.
- 5. Any person or organization that is an equipment lessor and that you have agreed in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage", or "personal and advertising injury" that:
 - a. Is "bodily injury" or "property damage" that occurs, or is "personal and advertising injury" caused by an offense that is committed, subsequent to the signing of that contract or agreement; and
 - b. Is caused, in whole or in part, by your acts or omissions in the maintenance, operation or use of equipment leased to you by such equipment lessor.

The insurance provided to such equipment lessor is subject to the following provisions:

- a. The limits of insurance provided to such equipment lessor will be the minimum limits that you agreed to provide in the written contract or agreement, or the limits shown in the Declarations, whichever are less.
- b. The insurance provided to such equipment lessor does not apply to any "bodily injury" or "property damage" that occurs, or "personal and advertising injury" caused by an offense that is committed, after the equipment lease expires.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint

venture or limited liability company that is not shown as a Named Insured in the Declarations. This paragraph does not apply to any such partnership, joint venture or limited liability company that otherwise qualifies as an insured under Section II – Who Is An Insured.

SECTION III - LIMITS OF INSURANCE

- 1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds:
 - b. Claims made or "suits" brought; or
 - **c.** Persons or organizations making claims or bringing "suits".
- The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Coverage C;
 - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - c. Damages under Coverage B.
- 3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
- 4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal injury" and "advertising injury" sustained by any one person or organization.
- **5.** Subject to Paragraph **2.** or **3.** above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A; and
 - **b.** Medical expenses under Coverage **C**;

because of all "bodily injury" and "property damage" arising out of any one "occurrence".

For the purposes of determining the applicable Each Occurrence Limit, all related acts or omissions committed in providing or failing to provide first aid or "Good Samaritan services" to any one person will be deemed to be one "occurrence".

6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "premises damage" to any one premises. The Damage To Premises Rented To You Limit will be:

- a. The amount shown for the Damage To Premises Rented To You Limit in the Declarations of this Coverage Part; or
- b. \$300,000 if no amount is shown for the Damage To Premises Rented To You Limit in the Declarations of this Coverage Part.
- 7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- **b.** If a claim is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable. You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

- (2) Authorize us to obtain records and other information:
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.
- e. The following provisions apply to Paragraph a. above, but only for purposes of the insurance provided under this Coverage Part to you or any insured listed in Paragraph 1. or 2. of Section II Who Is An Insured:
 - (1) Notice to us of such "occurrence" or offense must be given as soon as practicable only after the "occurrence" or offense is known to you (if you are an individual), any of your partners or members who is an individual (if you are a partnership or joint venture), any of your managers who is an individual (if you are a limited liability company), any of your "executive officers" or directors (if you are an organization other than a partnership, joint venture, or limited liability company), any of your trustees who is an individual (if you are a trust) or any "employee" 3. authorized by you to give notice of an "occurrence" or offense.
 - (2) If you are a partnership, joint venture, limited liability company or trust, and none of your partners, joint venture members, managers or trustees are individuals, notice to us of such "occurrence" or offense must be given as soon as practicable only after the "occurrence" or offense is known by:
 - (a) Any individual who is:
 - (i) A partner or member of any partnership or joint venture;
 - (ii) A manager of any limited liability company;

- (iii) An executive officer or director of any other organization; or
- (iv) A trustee of any trust;

that is your partner, joint venture member, manager or trustee; or

- (b) Any employee authorized by such partnership, joint venture, limited liability company, trust or other organization to give notice of an "occurrence" or offense.
- (3) Notice to us of such "occurrence" or offense will be deemed to be given as soon as practicable if it is given in good faith as soon as practicable to your workers' compensation insurer. This applies only if you subsequently give notice to us of the "occurrence" or offense as soon as practicable after any of the persons described in Paragraph e.(1) or (2) above discovers that the "occurrence" or offense may result in sums to which the insurance provided under this Coverage Part may apply.

However, if this policy includes an endorsement that provides limited coverage for "bodily injury" or "property damage" or pollution costs arising out of a discharge, release or escape of "pollutants" which contains a requirement that the discharge, release or escape of "pollutants" must be reported to us within a specific number of days after its abrupt commencement, this Paragraph e. does not affect that requirement.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- **b.** To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured, and the claimant or the claimant's legal representative.

4. Other Insurance

If valid and collectible other insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as described in Paragraphs a. and b. below. As used anywhere in this Coverage Part, other insurance means insurance, or the funding of losses, that is provided by, through or on behalf of:

- (i) Another insurance company;
- (ii) Us or any of our affiliated insurance companies, except when the Non cumulation of Each Occurrence Limit provision of Paragraph 5. of Section III Limits Of Insurance or the Non cumulation of Personal and Advertising Injury Limit provision of Paragraph 4. of Section III Limits of Insurance applies because the Amendment Non Cumulation Of Each Occurrence Limit Of Liability And Non Cumulation Of Personal And Advertising Injury Limit endorsement is included in this policy;
- (iii) Any risk retention group; or
- (iv) Any self-insurance method or program, in which case the insured will be deemed to be the provider of other insurance.

Other insurance does not include umbrella insurance, or excess insurance, that was bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

As used anywhere in this Coverage Part, other insurer means a provider of other insurance. As used in Paragraph **c.** below, insurer means a provider of insurance.

a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below, except when Paragraph **d.** below applies.

b. Excess Insurance

- (1) This insurance is excess over:
 - (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

- (ii) That is insurance for "premises damage";
- (iii) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to any exclusion in this Coverage Part that applies to aircraft, "autos" or watercraft;
- (iv) That is insurance available to a premises owner, manager or lessor that qualifies as an insured under Paragraph 4. of Section II – Who Is An Insured, except when Paragraph d. below applies; or
- (v) That is insurance available to an equipment lessor that qualifies as an insured under Paragraph 5. of Section II Who Is An Insured, except when Paragraph d. below applies.
- (b) Any of the other insurance, whether primary, excess, contingent or on any other basis, that is available to the insured when the insured is an additional insured, or is any other insured that does not qualify as a named insured, under such other insurance.
- (2) When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:
 - (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
 - (b) The total of all deductible and selfinsured amounts under all that other insurance.
- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

d. Primary And Non-Contributory Insurance If Required By Written Contract

If you specifically agree in a written contract or agreement that the insurance afforded to an insured under this Coverage Part must apply on a primary basis, or a primary and non-contributory basis, this insurance is primary to other insurance that is available to such insured which covers such insured as a named insured, and we will not share with that other insurance, provided that:

- (1) The "bodily injury" or "property damage" for which coverage is sought occurs; and
- (2) The "personal and advertising injury" for which coverage is sought is caused by an offense that is committed;

subsequent to the signing of that contract or agreement by you.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

- **a.** The statements in the Declarations are accurate and complete;
- **b.** Those statements are based upon representations you made to us; and
- **c.** We have issued this policy in reliance upon your representations.

The unintentional omission of, or unintentional error in, any information provided by you which we relied upon in issuing this policy will not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or to exercise our rights of cancellation or nonrenewal in accordance with applicable insurance laws or regulations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V - DEFINITIONS

- "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding websites, only that part of a website that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Advertising injury":

- a. Means injury caused by one or more of the following offenses:
 - (1) Oral or written publication, including publication by electronic means, of material in your "advertisement" that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged;
 - (2) Oral or written publication, including publication by electronic means, of material in your "advertisement" that:
 - (a) Appropriates a person's name, voice, photograph or likeness; or
 - **(b)** Unreasonably places a person in a false light; or
 - (3) Infringement of copyright, "title" or "slogan" in your "advertisement", provided that the claim is made or the "suit" is brought by a person or organization that claims ownership of such copyright, "title" or "slogan".
- **b.** Includes "bodily injury" caused by one or more of the offenses described in Paragraph **a.** above.

3. "Auto" means:

- A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
- b. Any other land vehicle that is subject to a compulsory or financial responsibility law, or other motor vehicle insurance law, where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

- 4. "Bodily injury" means:
 - **a.** Physical harm, including sickness or disease, sustained by a person; or
 - b. Mental anguish, injury or illness, or emotional distress, resulting at any time from such physical harm, sickness or disease.
- **5.** "Broadcasting" means transmitting any audio or visual material for any purpose:
 - a. By radio or television; or

- **b.** In, by or with any other electronic means of communication, such as the Internet, if that material is part of:
 - Radio or television programming being transmitted;
 - (2) Other entertainment, educational, instructional, music or news programming being transmitted; or
 - (3) Advertising transmitted with any of such programming.

6. "Coverage territory" means:

- The United States of America (including its territories and possessions), Puerto Rico and Canada;
- International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
- **c.** All other parts of the world if the injury or damage arises out of:
 - Goods or products made or sold by you in the territory described in Paragraph a. above;
 - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits in the territory described in Paragraph a. above, or in a settlement we agree to.

- 7. "Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
- **8.** "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.

- "Good Samaritan services" means any emergency medical services for which no compensation is demanded or received.
- **11.** "Hostile fire" means a fire which becomes uncontrollable or breaks out from where it was intended to be.
- **12.** "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - **b.** You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

13. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for "premises damage" is not an "insured contract":
- b. A sidetrack agreement;
- Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- **d.** An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury", "property damage" or "personal injury" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

(1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle,

- tracks, roadbeds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in Paragraph (2) above and supervisory, inspection, architectural or engineering activities.
- 14. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
- **15.** "Loading or unloading" means the handling of property:
 - a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto":
 - While it is in or on an aircraft, watercraft or "auto"; or
 - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

- **16.** "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
 - Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - **b.** Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;

- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers:
- e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicle that is subject to a compulsory or financial responsibility law, or other motor vehicle insurance law, where it is licensed or principally garaged. Such land vehicles are considered "autos".

17. "Occurrence" means:

a. An accident, including continuous or repeated exposure to substantially the same general harmful conditions; or

- b. An act or omission committed in providing or failing to provide first aid or "Good Samaritan services" to a person, unless you are in the business or occupation of providing professional health care services.
- **18.** "Personal and advertising injury" means "personal injury" or "advertising injury".
- 19. "Personal injury":
 - a. Means injury, other than "advertising injury", caused by one or more of the following offenses:
 - (1) False arrest, detention or imprisonment;
 - (2) Malicious prosecution;
 - (3) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, provided that the wrongful eviction, wrongful entry or invasion of the right of private occupancy is committed by or on behalf of the owner, landlord or lessor of that room, dwelling or premises;
 - (4) Oral or written publication, including publication by electronic means, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged; or
 - (5) Oral or written publication, including publication by electronic means, of material that:
 - (a) Appropriates a person's name, voice, photograph or likeness; or
 - **(b)** Unreasonably places a person in a false light.
 - **b.** Includes "bodily injury" caused by one or more of the offenses described in Paragraph **a.** above.
- 20. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

21. "Premises damage" means:

- a. With respect to the first paragraph of the exceptions in Exclusion j. of Section I – Coverage A – Bodily Injury And Property Damage Liability, "property damage" to any premises while rented to you for a period of seven or fewer consecutive days, including the contents of such premises; or
- b. With respect to the exception to Exclusions c. through n. in the last paragraph of Paragraph 2. of Section I Coverage A Bodily Injury And Property Damage Liability, "property damage" to any premises while rented to you for a period of more than seven consecutive days, or while temporarily occupied by you with permission of the owner, caused by:
 - (1) Fire;
 - (2) Explosion;
 - (3) Lightning;
 - (4) Smoke resulting from fire, explosion or lightning; or
 - (5) Water.

But "premises damage" under this Paragraph **b.** does not include "property damage" to any premises caused by:

- Rupture, bursting, or operation of pressure relief devices;
- (2) Rupture or bursting due to expansion or swelling of the contents of any building or structure caused by or resulting from water; or
- (3) Explosion of steam boilers, steam pipes, steam engines or steam turbines.

22. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your

- contract calls for work at more than one job site.
- (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- **b.** Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured:
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
 - (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

23. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use will be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use will be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, "electronic data" is not tangible property.

24. "Slogan":

- **a.** Means a phrase that others use for the purpose of attracting attention in their advertising.
- **b.** Does not include a phrase used as, or in, the name of:
 - (1) Any person or organization, other than you; or
 - (2) Any business, or any of the premises, goods, products, services or work, of any person or organization, other than you.

- **25.** "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
 - An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
- 26. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or shortterm workload conditions.
- 27. "Title" means a name of a literary or artistic work.
- 28. "Unsolicited communication" means any communication, in any form, that the recipient of such communication did not specifically request to receive.
- 29. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
- 30. "Your product":
 - a. Means:
 - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

- (a) You;
- (b) Others trading under your name; or
- (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2) The providing of or failure to provide warnings or instructions.
- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

31. "Your work":

- a. Means:
 - (1) Work or operations performed by you or on your behalf; and
 - (2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2) The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY ENDORSEMENT – PRODUCTS-COMPLETED OPERATIONS HAZARD

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following replaces Paragraph **b.(3)** of the definition of "products-completed operations hazard" in the **DEFINITIONS** Section:

(3) Products or operations for which the classification, listed in the Declarations, in a policy Schedule or in our manual of rules, states that the products-completed operations are subject to the General Aggregate Limit.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRODUCTS/COMPLETED OPERATIONS HAZARD REDEFINED – CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

With respect to "bodily injury" or "property damage" arising out of "your products" manufactured, sold, handled or distributed:

- 1. On, from or in connection with the use of any premises described in the Declarations and used by the insured for the sale of food or beverages to be consumed on the premises, or
- 2. In connection with the conduct of any operation, when conducted by you or on your behalf,

Paragraph a. of the definition of "Products-completed operations hazard" in the DEFINITIONS Section is replaced by the following:

"Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" that arises out of "your products" if the "bodily injury" or "property damage" occurs after you have relinquished possession of those products.

POLICY NUMBER: 680-9N029386-19-42

COMMERCIAL GENERAL LIABILITY ISSUE DATE: 09/12/2019

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED-DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of person or organization:

NEWTEK SMALL BUSINESS FINANCE, LLC ISAOA/ATIMA

ATTN: INSURANCE DEPT.

P O BOX 150

NORTHVILLE NY 12134

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule as an insured but only with respect to liability arising out of your acts or omissions.

COMMERCIAL GENERAL LIABILITY ISSUE DATE: 09/12/2019

POLICY NUMBER: 680-9N029386-19-42

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED-DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of person or organization:

WESTCHESTER MALL, LLC M.S. MANGAGEMENT ASSOCIATES INC.

225 WEST WASHINGTON STREET INDIANAPOLIS IN 46204--3438

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule as an insured but only with respect to liability arising out of your acts or omissions.

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY.

XTEND ENDORSEMENT FOR SMALL BUSINESSES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

GENERAL DESCRIPTION OF COVERAGE – This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to this Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

- A. Who Is An Insured Unnamed Subsidiaries
- B. Who Is An Insured Employees And Volunteer Workers – Bodily Injury To Co-Employees And Co-Volunteer Workers

PROVISIONS

A. WHO IS AN INSURED – UNNAMED SUBSIDIARIES

The following is added to SECTION II – WHO IS AN INSURED:

Any of your subsidiaries, other than a partnership or joint venture, that is not shown as a Named Insured in the Declarations is a Named Insured if:

- **a.** You are the sole owner of, or maintain an ownership interest of more than 50% in, such subsidiary on the first day of the policy period; and
- **b.** Such subsidiary is not an insured under similar other insurance.

No such subsidiary is an insured for "bodily injury" or "property damage" that occurred, or "personal and advertising injury" caused by an offense committed:

- a. Before you maintained an ownership interest of more than 50% in such subsidiary; or
- **b.** After the date, if any, during the policy period that you no longer maintain an ownership interest of more than 50% in such subsidiary.

For purposes of Paragraph 1. of Section II – Who Is An Insured, each such subsidiary will be deemed to be designated in the Declarations as:

a. A limited liability company;

- C. Who Is An Insured Newly Acquired Or Formed Limited Liability Companies
- D. Incidental Medical Malpractice
- E. Blanket Waiver Of Subrogation
 - **b.** An organization other than a partnership, joint venture or limited liability company; or
 - c. A trust;

as indicated in its name or the documents that govern its structure.

B. WHO IS AN INSURED – EMPLOYEES AND VOLUNTEER WORKERS – BODILY INJURY TO CO-EMPLOYEES AND CO-VOLUNTEER WORKERS

The following is added to Paragraph 2.a.(1) of SECTION II – WHO IS AN INSURED:

Paragraphs (1)(a), (b) and (c) above do not apply to "bodily injury" to a co-"employee" while in the course of the co-"employee's" employment by you or performing duties related to the conduct of your business, or to "bodily injury" to your other "volunteer workers" while performing duties related to the conduct of your business.

- C. WHO IS AN INSURED NEWLY ACQUIRED OR FORMED LIMITED LIABILITY COMPANIES
 - The following replaces the first sentence of Paragraph 3. of SECTION II – WHO IS AN INSURED:

Any organization you newly acquire or form, other than a partnership or joint venture, and of which you are the sole owner or in which you maintain an ownership interest of more than 50%, will qualify as a Named Insured if

there is no other similar insurance available to that organization.

The following replaces the last sentence of Paragraph 3. of SECTION II – WHO IS AN INSURED:

For the purposes of Paragraph 1. of Section II — Who Is An Insured, each such organization will be deemed to be designated in the Declarations as:

- a. A limited liability company;
- An organization other than a partnership, joint venture or limited liability company; or
- c. A trust;

as indicated in its name or the documents that govern its structure.

D. INCIDENTAL MEDICAL MALPRACTICE

- The following replaces Paragraph b. of the definition of "occurrence" in the DEFINITIONS Section:
 - b. An act or omission committed in providing or failing to provide "incidental medical services", first aid or "Good Samaritan services" to a person, unless you are in the business or occupation of providing professional health care services.
- The following replaces the last paragraph of Paragraph 2.a.(1) of SECTION II – WHO IS AN INSURED:

Unless you are in the business or occupation of providing professional health care services, Paragraphs (1)(a), (b), (c) and (d) above do not apply to "bodily injury" arising out of providing or failing to provide:

- (a) "Incidental medical services" by any of your "employees" who is a nurse, nurse assistant, emergency medical technician, paramedic, athletic trainer, audiologist, dietician, nutritionist, occupational therapist or occupational therapy assistant, physical therapist or speech-language pathologist; or
- (b) First aid or "Good Samaritan services" by any of your "employees" or "volunteer workers", other than an employed or volunteer doctor. Any such "employees" or "volunteer workers" providing or failing to provide first aid or "Good Samaritan services" during their work hours for you will be deemed to be acting within the

scope of their employment by you or performing duties related to the conduct of your business.

 The following replaces the last sentence of Paragraph 5. of SECTION III – LIMITS OF INSURANCE:

For the purposes of determining the applicable Each Occurrence Limit, all related acts or omissions committed in providing or failing to provide "incidental medical services", first aid or "Good Samaritan services" to any one person will be deemed to be one "occurrence".

4. The following exclusion is added to Paragraph 2., Exclusions, of SECTION I – COVERAGES – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY:

Sale Of Pharmaceuticals

"Bodily injury" or "property damage" arising out of the violation of a penal statute or ordinance relating to the sale of pharmaceuticals committed by, or with the knowledge or consent of, the insured.

The following is added to the **DEFINITIONS** Section:

"Incidental medical services" means:

- Medical, surgical, dental, laboratory, xray or nursing service or treatment, advice or instruction, or the related furnishing of food or beverages; or
- **b.** The furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances.
- The following is added to Paragraph 4.b., Excess Insurance, of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:

This insurance is excess over any valid and collectible other insurance, whether primary, excess, contingent or on any other basis, that is available to any of your "employees" for "bodily injury" that arises out of providing or failing to provide "incidental medical services" to any person to the extent not subject to Paragraph 2.a.(1) of Section II — Who Is An Insured.

E. BLANKET WAIVER OF SUBROGATION

The following is added to Paragraph 8., Transfer Of Rights Of Recovery Against Others To Us,

of SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS:

If the insured has agreed in a contract or agreement to waive that insured's right of recovery against any person or organization, we waive our right of recovery against such person or organization, but only for payments we make because of:

- **a.** "Bodily injury" or "property damage" that occurs; or
- **b.** "Personal and advertising injury" caused by an offense that is committed;

subsequent to the execution of the contract or agreement.

POLICY NUMBER: 680-9N029386-19-42

COMMERCIAL GENERAL LIABILITY ISSUE DATE: 09/12/2019

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY.

HIRED AUTO AND NONOWNED AUTO LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

SCHEDULE

Insurance is provided only with respect to those coverages for which a specific premium charge is shown:

COVERAGE

ADDITIONAL PREMIUM

Hired Auto Liability

\$ INCLUDED

Nonowned Auto Liability

\$ INCLUDED

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

PROVISIONS

A. COVERAGE

If a premium charge is shown in the SCHEDULE above, the insurance provided under Section I – Coverage A – Bodily Injury And Property Damage Liability applies to "bodily injury" and "property damage" arising out of the maintenance or use of a "hired auto" or "nonowned auto". Maintenance or use of a "nonowned auto" includes test driving in connection with an "auto business".

B. EXCLUSIONS

With respect to the insurance provided by this endorsement:

- The exclusions, under Section I Coverage A – Bodily Injury And Property Damage Liability, other than exclusions a., b., d., e., f. and i. and the Nuclear Energy Liability Exclusion (Broad Form) are deleted and replaced by the following:
 - a. "Bodily injury" to:
 - (1) Any fellow "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - **(b)** Performing duties related to the conduct of the insured's business.
 - **b.** "Property damage" to:
 - Property owned or being transported by, or rented or loaned to the insured; or
 - (2) Property in the care, custody or control of the insured.

C. WHO IS AN INSURED

Section II – Who Is An Insured is replaced by the following:

Each of the following is an insured under this insurance to the extent set forth below:

- You:
- Anyone else including any partner or "executive officer" of yours while using with your permission a "hired auto" or a "nonowned auto" except:
 - a. The owner or lessee (of whom you are a sublessee) of a "hired auto" or the owner or lessee of a "nonowned auto" or any agent or "employee" of any such owner or lessee;
 - Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household;
 - c. Your "employee" if the covered "auto" is leased, hired or rented by him or her or a member of his or her household under a lease or rental agreement for a period of 180 days or more;
 - d. Any partner or "executive officer" with respect to any "auto" owned by such partner or officer or a member of his or her household;
 - e. Any partner or "executive officer" with respect to any "auto" leased or rented to such partner or officer or a member of his or her household under a lease or rental agreement for a period of 180 days or more;

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- f. Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;
- g. Anyone other than your "employees", partners, a lessee or borrower or any of their "employees", while moving property to or from a "hired auto" or a "nonowned auto"; or
- Any other person or organization, but only with respect to their liability because of acts or omissions of an insured under 1. or 2. above.

D. AMENDED DEFINITIONS

The Definition of "insured contract" of **Section V – Definitions** is amended by the addition of the following exceptions to paragraph **f.**:

Paragraph **f.** does not include that part of any contract or agreement:

- (4) That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
- (5) That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.

E. ADDITIONAL DEFINITIONS

Section V – Definitions is amended by the addition of the following definitions:

- "Auto Business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".
- 2. "Hired auto" means any "auto" you lease, hire, rent or borrow. This does not include:
 - a. Any "auto" you lease, hire or rent under a lease or rental agreement for a period of 180 days or more, or
 - b. Any "auto" you lease, hire, rent or borrow from any of your "employees", partners, stockholders, or members of their households.
- 3. "Nonowned auto" means any "autos" you do not own, lease, hire, rent or borrow that are being used in the course and scope of your business at the time of an "occurrence". This includes "autos" owned by your "employees" or partners or members of their households but only while being used in the course and scope of your business at the time of an "occurrence".

If you are a sole proprietor, "nonowned auto" means any "autos" you do not own, lease, hire, rent or borrow that are being used in the course and scope of your business or personal affairs at the time of an "occurrence".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF CONTRACTUAL LIABILITY EXCLUSION - EXCEPTION FOR DAMAGES ASSUMED IN AN INSURED CONTRACT APPLIES ONLY TO NAMED INSURED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

- The following replaces Paragraph (2) of Exclusion b., Contractual Liability, in Paragraph 2. of SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY:
 - (2) Assumed by you in a contract or agreement that is an "insured contract", provided that the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed by you in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured will be deemed to be damages because of "bodily injury" or "property damage", provided that:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed by you in the same "insured contract"; and
 - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.
- The following replaces the beginning of Paragraph 2., and Paragraphs 2.a., b., c., d. and e., of SUPPLEMENTARY PAYMENTS COVERAGES A AND B of SECTION I COVERAGES:
 - 2. If we defend you against a "suit" and your indemnitee is also named as a party to the "suit", we will have the right and duty to defend that indemnitee if all of the following conditions are met:

- a. The "suit" against the indemnitee seeks damages for which you have assumed the liability of the indemnitee in a contract or agreement that is an "insured contract":
- **b.** This insurance applies to such liability assumed by you;
- c. The obligation to defend, or the cost of the defense of, that indemnitee has also been assumed by you in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" or offense are such that we determine that no conflict exists between your interests and the interests of the indemnitee:
- e. You and the indemnitee ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend you and the indemnitee; and
- The following replaces the last sentence of Paragraph 2. of SUPPLEMENTARY PAY-MENTS – COVERAGES A AND B of SEC-TION I – COVERAGES:

Our obligation to defend your indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- We have used up the applicable limit of insurance in the payment of judgments, settlements or medical expenses; or
- **b.** The conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – VIOLATION OF CONSUMER FINANCIAL PROTECTION LAWS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

The following exclusion is added to Paragraph
 Exclusions, of SECTION I – COVERAGES
 COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY:

Violation Of Consumer Financial Protection Laws

"Bodily injury" or "property damage" arising out of any actual or alleged violation of a "consumer financial protection law", or any other "bodily injury" or "property damage" alleged in any claim or "suit" that also alleges any such violation.

The following exclusion is added to Paragraph
 Exclusions, of SECTION I – COVERAGES
 COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY:

Violation Of Consumer Financial Protection Laws

"Personal injury" or "advertising injury" arising out of any actual or alleged violation of a "consumer financial protection law", or any other "personal injury" or "advertising injury" alleged in any claim or "suit" that also alleges any such violation.

3. The following is added to the **DEFINITIONS** Section:

"Consumer financial identity information" means any of the following information for a person that is used or collected for the purpose of serving as a factor in establishing such person's eligibility for personal credit, insurance or employment, or for the purpose of conducting a business transaction:

- a. Part or all of the account number, the expiration date or the balance of any credit, debit, bank or other financial account.
- Information bearing on a person's credit worthiness, credit standing or credit capacity.
- c. Social security number.
- d. Drivers license number.
- e. Birth date.

"Consumer financial protection law" means:

- a. The Fair Credit Reporting Act (FCRA) and any of its amendments, including the Fair and Accurate Credit Transactions Act (FACTA);
- **b.** California's Song-Beverly Credit Card Act and any of its amendments; or
- c. Any other law or regulation that restricts or prohibits the collection, dissemination, transmission, distribution or use of "consumer financial identity information".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DISCRIMINATION

This endors ement modifies insurance provided under the following: COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

 The following exclusion is added to Paragraph 2., Exclusions, of SECTION I — COVERAGES — COVERAGE A — BODILY INJURY AND PROPERTY DAMAGE LIABILITY:

Discrimination

"Bodily injury" arising out of discrimination based upon a person's sex, sexual orientation, marital status, pregnancy, race, color, creed, religion, national origin, citizenship, veteran status, age, genetic information or physical or mental disability, or any other characteristic, attribute, trait, condition or status that qualifies a person for protection against discrimination under federal, state or local law.

 The following exclusion is added to Paragraph 2., Exclusions, of SECTION I – COVERAGES – COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY:

Discrimination

"Personal injury" arising out of discrimination based upon a person's sex, sexual orientation, marital status, pregnancy, race, color, creed, religion, national origin, citizenship, veteran status, age, genetic information or physical or mental disability, or any other characteristic, attribute, trait, condition or status that qualifies a person for protection against discrimination under federal, state or local law.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF COVERAGE C--MEDICAL PAYMENTS (LIMITED PRODUCTS HAZARD INCLUSION)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

Under SECTION I, Exclusion f. of COVERAGE C--MEDICAL PAYMENTS - is replaced by the following:

f. Which occurs away from premises you own or rent and is included within the "products-completed operations hazard."

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES – TRANSFER OF DUTIES WHEN A LIMIT OF INSURANCE IS USED UP

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following Condition is added to COMMERCIAL GENERAL LIABILITY CONDITIONS (Section IV):

Transfer of Duties When a Limit of Insurance is Used Up.

- a. If we conclude that, based on "occurrences," offenses, claims or "suits" which have been reported to us and to which this insurance may apply, the:
 - General Aggregate Limit (other than the Products-Completed Operations Aggregate Limit);
 - (2) Products-Completed Operations Aggregate Limit:
 - (3) Personal and Advertising Injury Limit;
 - (4) Each Occurrence Limit; or
 - (5) Fire Damage Limit

is likely to be used up in the payment of judgments or settlements, we will notify the first Named Insured, in writing, to that effect.

- **b.** When a limit of insurance described in paragraph a, above has actually been used up in the payment of judgments or settlements:
 - (1) We will notify the first Named Insured, in writing, as soon as practicable, that:
 - (a) Such a limit has actually been used up; and
 - (b) Our duty to defend "suits" seeking damages subject to that limit has also ended.
 - (2) We will initiate, and cooperate in, the transfer of control, to any appropriate insured, of all claims and "suits" seeking damages which are subject to that limit and which are reported to us before that limit is used up. That insured must cooperate in the transfer of control of said claims and "suits".

We agree to take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such "suits" until such transfer is completed, provided the appropriate insured is cooperating in completing such transfer.

We will take no action whatsoever with respect to any claim or "suit" seeking damages that would have been subject to that limit, had it not been used up, if the claim or "suit" is reported to us after that limit of insurance has been used up.

- (3) The first Named Insured, and any other insured involved in a "suit" seeking damages subject to that limit, must arrange for the defense of such "suit" within such time period as agreed to between the appropriate insured and us. Absent any such agreement, arrangements for the defense of such "suit" must be made as soon as practicable.
- c. The first Named Insured will reimburse us for expenses we incur in taking those steps we deem appropriate in accordance with paragraph b.(2) above.

The duty of the first Named Insured to reimburse us will begin on:

- (1) The date on which the applicable limit of insurance is used up, if we sent notice in accordance with paragraph a. above; or
- (2) The date on which we sent notice in accordance with paragraph b.(1) above, if we did not send notice in accordance with paragraph a. above.
- d. The exhaustion of any limit of insurance by the payments of judgments or settlements, and the resulting end of our duty to defend, will not be affected by our failure to comply with any of the provisions of this Condition.

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY.

NEW YORK CHANGES COMMERCIAL GENERAL LIABILITY COVERAGE FORM

This endorsement modifies insurance provided under the following: COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

- 1. The following is added to any insuring agreement under which we have the right and duty to defend certain "suits":
 - We will have such right and duty to defend even if the allegations of the "suit" are groundless, false or fraudulent.
- The following is added to Paragraph 2., Duties In The Event Of Occurrence, Offense, Claim Or Suit, of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:
 - Notice given by or on behalf of the insured, or written notice by or on behalf of the injured person or any other claimant, to any agent of ours in New York State, with particulars sufficient to identify the insured, shall be considered to be notice to us.
- 3. The following replaces Paragraph 3., Legal Action Against Us, of SECTION IV -- COMMERCIAL GENERAL LIABILITY CONDITIONS:
 - 3. Legal Action Against Us
 - **a.** Except as provided in Paragraph **b.**, no person or organization has a right under this Coverage Part:
 - To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
 - (2) To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

With respect to any claim for a loss to which this insurance applies, other than any claim for "property damage" or for pollution costs arising out of a discharge, release or escape of "pollutants" if this policy includes an endorsement that provides coverage for such costs, if we deny coverage or do not admit liability because an insured or the injured person, someone acting for the injured person or other claimant, fails to give us written notice as soon as practicable, then the injured person, someone acting for the injured person or other claimant may bring an action against us, provided the sole question is whether the denial of coverage or nonadmission of liability is based on the failure to provide timely notice.

However, the injured person, someone acting for the injured person or other claimant may not bring an action if within 60 days after we deny coverage or do not admit liability, we or an insured:

- (1) Brings an action to declare the rights of the parties under the policy; and
- (2) Names the injured person, someone acting for the injured person or other claimant as a party to the action.
- **4.** The following provision is added and supersedes any provision to the contrary:
 - Failure to give notice to us as required under this Coverage Part shall not invalidate any claim made by the insured, injured person or any other claimant unless the failure to provide such timely notice has prejudiced us. However, no claim made by the insured, injured person or any other claimant will be invalidated if it shall be shown not to have been reasonably possible to give such timely notice and that notice was given as soon as was reasonably possible thereafter.
- **5.** The definition of "loading or unloading" in the **DEFINITIONS** Section is deleted.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF DUTIES IN EVENT OF AN OCCURRENCE, OFFENSE, CLAIM OR SUIT CONDITION

This endorsement modifies insurance provided under the following: COMMERCIAL GENERAL LIABILITY COVERAGE PART

The last paragraph of Paragraph 2.e., Duties In The Event Of Occurrence, Offense, Claim Or Suit, of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS is deleted.

EMPLOYEE BENEFITS LIABILITY

EMPLOYEE BENEFITS LIABILITY



One Tower Square, Hartford, Connecticut 06183

EMPLOYEE BENEFITS LIABILITY COVERAGE PART DECLARATIONS

POLICY NO.: 680-9N029386-19-42

ISSUE DATE: 09/12/2019

INSURING COMPANY:

TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA

DECLARATIONS PERIOD: From 09/10/2019 to 09/10/2020 12:01 A.M. Standard Time at your mailing address shown in the Common Policy Declarations.

The Employee Benefits Liability Coverage Part consists of these Declarations and the Coverage Form shown below.

1. COVERAGE AND LIMITS OF INSURANCE

Employee Benefits Liability

Coverage Form Limits of Insurance

Aggregate Limit \$ 2,000,000

Each Employee Limit \$ 2,000,000

2. AUDIT PERIOD: None

3. FORM OF BUSINESS: LIMITED LIAB CORP

4. RETROACTIVE DATE:

This insurance does not apply to negligent acts, errors or omissions which occurred before the Retroactive Date, if any shown below.

Retroactive Date: 08-01-19

5. EMPLOYEE BENEFIT PROGRAMS OTHER THAN THOSE LISTED IN SECTION VII - DEFINITIONS:

Rate

6. DEDUCTIBLE:

\$ NONE

EACH EMPLOYEE

7. PREMIUM COMPUTATION:

Estimated No. Per Estimated Minimum of Employees Employee Premium Premium

8. NUMBERS OF FORMS, SCHEDULES AND ENDORSEMENTS FORMING PART OF THIS COVERAGE PART ARE ATTACHED AS A SEPARATE LISTING.

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EMPLOYEE BENEFITS LIABILITY COVERAGE FORM

THIS INSURANCE PROVIDES CLAIMS-MADE COVERAGE. PLEASE READ THE ENTIRE FORM CAREFULLY.

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations and any other person or organization qualifying as a Named Insured under this policy. The words "we," "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section VII – Definitions.

SECTION I - EMPLOYEE BENEFITS LIABILITY COVERAGE

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of loss to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for loss to which this insurance does not apply. We may, at our discretion, investigate any negligent act, error or omission and settle any claim or "suit" that may result: But:
 - (1) The amount we will pay for damages is limited as described in Section III Limits Of Insurance: and
 - (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- **b.** This insurance applies to loss only if:
 - (1) The loss is caused by a negligent act, error or omission committed by the insured, or by any other person for whose acts the insured is legally liable, in the "administration" of your "employee benefit program";
 - (2) The negligent act, error or omission is committed in the "coverage territory";

- (3) The negligent act, error or omission was committed on or after the Retroactive Date, if any, shown in the Declarations of this Coverage Part and before the end of the policy period; and
- (4) A claim or "suit" for damages because of the loss is first made or brought against any insured, in accordance with Paragraph e. below, during the policy period or any Extended Reporting Period we provide under Section VI – Extended Reporting Periods.
- c. Each negligent act, error or omission in a series of related negligent acts, errors or omissions will be deemed to have been committed on the date the first such negligent act, error or omission in that series is committed.
- d. If the Retroactive Date is left blank in the Declarations of this Coverage Part, the Retroactive Date will be deemed to be the first day of the policy period.
- **e.** A claim or "suit" seeking damages will be deemed to have been first made or brought at the earlier of the following times:
 - (1) When we or any insured first receives written notice of such claim or "suit", whichever comes first; or
 - (2) When we first receive written notice from any insured of a specific negligent act, error or omission that caused the loss which resulted in such claim or "suit".

All claims or "suits" that seek damages because of loss sustained by any one "employee", including the "employee's" dependents and beneficiaries, will be deemed

to have been first made or brought at the time the first of those claims or "suits" is made or brought against any insured.

- f. A claim or "suit" that seeks damages will be deemed to have been first made or brought at the time we receive written notice from any insured of a specific negligent act, error or omission only if that notice contains all of the following information:
 - (1) How, when and where the negligent act, error or omission was committed;
 - (2) A description of what happened;
 - (3) A description of what damages may result;
 - (4) The identity of the person or organization that may make a claim or bring a "suit"; and
 - (5) The identity of each insured that committed the negligent act, error or omission.

Notice to us that any insured may in the future receive written notice of a negligent act, error or omission, claim or "suit" is not notice of a specific negligent act, error or omission.

2. Exclusions

This insurance does not apply to:

a. Criminal, Dishonest, Fraudulent Or Malicious Acts

Loss arising out of any criminal, dishonest, fraudulent, or malicious act, error or omission committed by any insured, including the willful or reckless violation of any law or regulation.

b. Injury Or Damage

"Bodily injury", "property damage", "personal injury" or "advertising injury."

c. Failure To Perform A Contract

Loss arising out of failure of performance of contract by any insurer.

d. Insufficiency Of Funds

Loss arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

e. Inadequacy Of Performance Of Investment Or Advice Given With Respect To Participation

Any claim or "suit" based upon:

- (1) Failure of any investment to perform;
- (2) Errors in providing information on past performance of investment vehicles; or
- (3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

f. Workers' Compensation And Similar Laws

Loss arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

g. ERISA

Loss for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as amended, or by any similar federal, state or local laws.

h. Available Benefits

Loss of benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

i. Taxes, Fines Or Penalties

- (1) Any taxes, fines, or penalties, including those imposed under any provision of the Internal Revenue Code of 1986, as amended, or any similar state or local law; or
- (2) Any loss, cost or expense arising out of the imposition of such taxes, fines or penalties.

j. Employment-Related Practices

Loss to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - **(b)** Termination of that person's employment; or
 - (c) Employment-related practice or policy, such as coercion, demotion, reassignment, discipline, failure to promote or advance, harassment, humiliation, discrimination, libel, slander, violation of the person's right of privacy, malicious prosecution or false arrest, detention or

imprisonment applied to or directed at that person, regardless of whether such practice or policy occurs, is applied or is committed before, during or after the time of that person's employment; or

(2) The spouse, child, parent, brother or sister of that person as a consequence of loss to that person at whom any of the employment-related practices or policies described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the loss.

k. Access Or Disclosure Of Confidential Or Personal Information

Loss arising out of any access or disclosure of any person's or organization's confidential or personal information.

3. Supplementary Payments

We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit," including actual loss of earnings up to \$500 a day because of time off from work.
- d. All costs taxed against the insured in the "suit."
- e. Pre-judgment interest awarded against the insured on that part of the judgment we pay. If we made an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- f. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or

deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

SECTION II - WHO IS AN INSURED

- 1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - **b.** A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are also insureds, but only with respect to their liability as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
- **2.** Each of the following is also an insured:
 - a. Each of your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), who is or was authorized to administer your "employee benefit program."
 - b. Any person or organization having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed.
 - c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
- **3.** Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership

or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 180th day after you acquire, or form the organization or the end of the policy period, whichever is earlier:
- b. Coverage under this provision does not apply to any negligent act, error or omission that was committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations. This paragraph does not apply to any such partnership, joint venture or limited liability company that otherwise qualifies as an insured under Section II – Who Is An Insured.

SECTION III - LIMITS OF INSURANCE

- The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought;
 - Persons or organizations making claims or bringing "suits";
 - d. Acts, errors or omissions; or
 - e. Benefits included in your "employee benefit program".
- 2. The Aggregate Limit is the most we will pay for all damages because of all negligent acts, errors or omissions committed in the "administration" of your "employee benefit program."
- 3. Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, because of all negligent acts, errors or omissions committed in the "administration" of your "employee benefit program".

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that

case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV - DEDUCTIBLE

- The Deductible shown in the Declarations and the rules below fix the amount of damages incurred by, or on behalf of, you or any insured that you will be responsible for paying, regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought;
 - Persons or organizations making claims or bringing "suits";
 - d. Acts, errors or omissions; or
 - **e.** Benefits included in your "employee benefit program".

If no amount is shown for the Deductible in the Declarations, the Deductible does not apply to this Coverage Part.

- 2. The Deductible applies to all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, because of all negligent acts, errors or omissions committed in the "administration" of your "employee benefit program".
- The Limits of Insurance will not be reduced by the amount of damages within the deductible amount.
- 4. The terms of this policy, including those with respect to:
 - **a.** Our right and duty with respect to the defense of "suits"; and
 - **b.** Your duties in the event of an act, error or omission, claim or suit;

apply irrespective of the application of the deductible amount.

5. If we settle a claim or "suit" for damages, or pay a judgment for damages awarded in a "suit", that are subject to a deductible, we may pay any part or all of the deductible amount. You will promptly reimburse us for such part of the deductible amount as we have paid.

SECTION V - EMPLOYEE BENEFITS LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Act, Error Or Omission, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a claim. To the extent possible, notice should include:
 - (1) What the act, error or omission was and when it was committed; and
 - (2) The names and addresses of any "employees" who may suffer loss caused by the act, error or omission.
- **b.** If a claim is made or "suit" is brought by any insured, you must:
 - Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or a "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of loss to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.
- e. The following provisions apply to Paragraph
 a. above, but only for purposes of the insurance provided under this Coverage Part to you or any insured listed in Paragraph 1. or
 2. of Section II Who Is An Insured:
 - (1) Notice to us of such act, error or omission must be given as soon as practicable only after the act, error or omission is known to you (if you are an individual), any of your partners or members who is an individual (if you are a partnership or joint

- venture), any of your managers who is an individual (if you are a limited liability company), any of your "executive officers" or directors (if you are an organization other than a partnership, joint venture, or limited liability company), any of your trustees who is an individual (if you are a trust) or any "employee" authorized by you to give notice of an act, error or omission.
- (2) If you are a partnership, joint venture, limited liability company or trust, and none of your partners, joint venture members, managers or trustees are individuals, notice to us of such act, error or omission must be given as soon as practicable only after the act, error or omission is known by:
 - (a) Any individual who is:
 - (i) A lawfully elected or appointed official, executive officer or director of any public entity;
 - (ii) A partner or member of any partnership or joint venture;
 - (iii) A manager of any limited liability company;
 - (iv) An executive officer or director of any other organization; or
 - (v) A trustee of any trust; that is your partner, joint venture member, manager or trustee; or
 - **(b)** Any "employee" authorized by such partnership, joint venture, limited liability company, trust or other organization to give notice of an act, error or omission.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- **a.** To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- **b.** To sue us on this Coverage Part unless all of its terms have been fully complied with

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that

are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If valid and collectible other insurance is available to the insured for a loss we cover under this Coverage Part, our obligations are limited as described in Paragraphs **a.** and **b.** below.

As used anywhere in this Coverage Part, other insurance means insurance, or the funding of losses, that is provided by, through or on behalf of:

- (i) Another insurance company;
- (ii) Us or any of our affiliated insurance companies;
- (iii) Any risk retention group; or
- (iv) Any self-insurance method or program, in which case the insured will be deemed to be the provider of other insurance.

Other insurance does not include umbrella insurance, or excess insurance, that was bought specifically to apply in excess of the Limits of Insurance shown in the Declarations.

As used anywhere in this Coverage Part, other insurer means a provider of other insurance. As used in Paragraph **b.** below, insurer means a provider of insurance.

a. Primary Insurance

This insurance is primary. If any of the other insurance is also primary, we will share with all that other insurance by the method described in Paragraph **b.** below.

b. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

- We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

- **a.** The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- **c.** We have issued this policy in reliance upon your representations.

The unintentional omission of, or unintentional error in, any information provided by you which we relied upon in issuing this policy will not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or to exercise our rights of cancellation or renewal in accordance with applicable insurance laws or regulations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- As if each Named Insured were the only Named Insured; and
- **b.** Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage

Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

10. Cancellation, Nonrenewal And Renewal Conditions Applicable To Commercial General Liability Coverage Part

All conditions relating to cancellation, nonrenewal or renewal that are included in any endorsement applicable to the Commercial General Liability Coverage Part attached to this policy also apply to this Coverage Part.

SECTION VI - EXTENDED REPORTING PERIODS

- 1. We will provide one or more Extended Reporting Periods, as described below, if:
 - a. This Coverage Part is cancelled or not renewed for any reason; or
 - **b.** We renew or replace this Coverage Part with insurance that has a Retroactive Date later than the date shown in the Declarations.
- 2. The Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They only apply to claims or "suits" for loss caused by a negligent act, error or omission committed on or after the Retroactive Date shown in the Declarations and before the end of the policy period.

Once in effect, Extended Reporting Periods may not be canceled.

 A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for 90 days.

The Basic Extended Reporting Period does not apply to claims or "suits" for loss covered under subsequent insurance you purchase, or that would be covered under such insurance but for the exhaustion of its applicable limit of insurance.

The Basic Extended Reporting Period does not reinstate or increase the limits of insurance.

4. A Supplemental Extended Reporting Period is available, but only by an endorsement and for an extra charge. This supplemental period starts with the end of the policy period and lasts for three years or an unlimited period of time, as set forth in the Supplemental Extended Reporting Period Endorsement. This supplemental period replaces the Basic Extended Reporting Period.

This Supplemental Extended Reporting Period will not go into effect unless we receive all of the following within 90 days after the end of the policy period and you have fulfilled all other duties, and complied with all other conditions and requirements, under this policy:

- **a.** A written request from you to purchase the Supplemental Extended Reporting Period;
- **b.** Full payment of the earned premium for this policy;
- Payment of the additional premium for the Supplemental Extended Reporting Period Endorsement; and
- **d.** Repayment of any deductible you owe us under this Coverage Part.

We will determine the additional premium for that endorsement in accordance with our rules and rates. The additional premium for the Supplemental Extended Reporting Period Endorsement will not exceed 200% of the annual premium for this policy.

This endorsement will set forth the terms, not inconsistent with this Section VI — Extended Reporting Periods, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the insurance afforded for claims or "suits" first made or brought against any insured during such period is excess over any valid and collectible other insurance available under insurance in force after the Supplemental Extended Reporting Period starts.

The Supplemental Extended Reporting Period does not reinstate or increase the limits of insurance.

SECTION VII - DEFINITIONS

- 1. "Administration" means:
 - a. Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of the "employee benefit program";

- **b.** Handling records in connection with the "employee benefit program"; or
- c. Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program."

However, "administration" does not include handling payroll deductions.

- 2. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

3. "Advertising injury":

- a. Means injury, other than "personal injury", caused by one or more of the following offenses:
 - (1) Oral or written publication, including publication by electronic means, of material in your "advertisement" that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged;
 - (2) Oral or written publication, including publication by electronic means, of material in your "advertisement" that:
 - (a) Appropriates a person's name, voice, photograph or likeness; or
 - (b) Unreasonably places a person in a false light; or
 - (3) Infringement of copyright, "title" or "slogan" in your "advertisement", provided that the claim is made or the "suit" is brought by a person or organization that claims ownership of such copyright, "title" or "slogan".

 b. Includes "bodily injury" caused by one or more of the offenses described in Paragraph
 a. above.

4. "Bodily injury":

- **a.** Means any harm, including sickness or disease, to the health of a person.
- Includes mental anguish, injury or illness, or emotional distress.
- **5.** "Cafeteria plan" means plans authorized by applicable law to allow "employees" to elect to pay for certain benefits with pre-tax dollars.
- 6. "Coverage territory" means the United States of America (including its territories and possessions), Puerto Rico or Canada, provided that the insured's responsibility to pay damages is determined in a "suit" on the merits in the United States of America (including its territories and possessions), Puerto Rico or Canada, or in a settlement we agree to.
- "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- 8. "Employee benefit program":
 - a. Means a program providing some or all of the following benefits to your "employees", whether provided through a "cafeteria plan" or otherwise:
 - (1) Group life insurance; group accident or health insurance; dental, vision and hearing plans; and flexible spending accounts, provided that no one other than your "employee" may subscribe to such benefits and such benefits are made generally available to all of those "employees" who satisfy the plan's eligibility requirements;
 - (2) Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than your "employee" may subscribe to such benefits and such benefits are made generally available to all of those "employees" who are eligible under the plan for such benefits;
 - (3) Unemployment insurance, social security benefits, workers' compensation and disability benefits;

- (4) Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and
- (5) Any other similar benefits designated in the Declarations or added thereto by endorsement.
- b. Does not include any benefit plan or program described in Paragraph a. above that is selfinsured.
- "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
- 10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Personal injury":

- a. Means injury, other than "advertising injury", caused by one or more of the following offenses:
 - (1) False arrest, detention or imprisonment;
 - (2) Malicious prosecution;
 - (3) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, provided that the wrongful eviction, wrongful entry or invasion of the right of private occupancy is committed by or on behalf of the owner, landlord or lessor of that room, dwelling or premises;
 - (4) Oral or written publication, including publication by electronic means, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to

- have had its goods, products or services disparaged; or
- (5) Oral or written publication, including publication by electronic means, of material that:
 - (a) Appropriates a person's name, voice, photograph or likeness; or
 - **(b)** Unreasonably places a person in a false light.
- **b.** Includes "bodily injury" caused by one or more of the offenses described in Paragraph **a.** above.

12. "Property damage" means:

- **a.** Physical injury to tangible property, including all resulting loss of use of that property; or
- **b.** Loss of use of tangible property that is not physically injured.

13. "Slogan":

- **a.** Means a phrase that others use for the purpose of attracting attention in their advertising.
- b. Does not include a phrase used as, or in, the name of:
 - (1) Any person or organization, other than you; or
 - (2) Any business, or any of the premises, goods, products, services or work, of any person or organization, other than you.
- **14.** "Suit" means a civil proceeding in which damages because of loss to which this insurance applies are alleged. "Suit" includes:
 - An arbitration proceeding in which such damages are claimed and to which the insured must submit or submits with our consent; or
 - Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
- **15.** "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- **16.** "Title" means a name of a literary or artistic work.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES – TRANSFER OF DUTIES WHEN A LIMIT OF INSURANCE IS USED UP

This endorsement modifies insurance provided under the following:

EMPLOYEE BENEFITS LIABILITY COVERAGE PART

The following is added to SECTION V — EMPLOYEE BENEFITS LIABILITY CONDITIONS:

Transfer Of Duties When A Limit Of Insurance Is Used Up.

- **a.** If we conclude that, based on acts, errors, omissions, claims or "suits" which have been reported to us and to which this insurance may apply, the:
 - (1) Aggregate Limit; or
 - (2) Each Employee Limit

is likely to be used up in the payment of judgments or settlements, we will notify the first Named Insured, in writing, to that effect.

- b. When a limit of insurance described in Paragraph a. above has actually been used up in the payment of judgments or settlements:
 - (1) We will notify the first Named Insured, in writing, as soon as practicable, that:
 - (a) Such a limit has actually been used up; and
 - (b) Our duty to defend "suits" seeking damages subject to that limit has also ended.
 - (2) We will initiate, and cooperate in, the transfer of control, to any appropriate insured, of all claims and "suits" seeking damages which are subject to that limit and which are reported to us before that limit is used up. That insured must cooperate in the transfer of control of said claims and "suits".

We agree to take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such "suits" until such transfer is completed, provided the appropriate in-

sured is cooperating in completing such transfer.

We will take no action whatsoever with respect to any claim or "suit" seeking damages that would have been subject to that limit, had it not been used up, if the claim or "suit" is reported to us after that limit of insurance has been used up.

- (3) The first Named Insured, and any other insured involved in a "suit" seeking damages subject to that limit, must arrange for the defense of such "suit" within such time period as agreed to between the appropriate insured and us. Absent any such agreement, arrangements for the defense of such "suit" must be made as soon as practicable.
- c. The first Named Insured will reimburse us for expenses we incur in taking those steps we deem appropriate in accordance with Paragraph b.(2) above.

The duty of the first Named Insured to reimburse us will begin on:

- (1) The date on which the applicable limit of insurance is used up, if we sent notice in accordance with Paragraph a. above; or
- (2) The date on which we sent notice in accordance with Paragraph b.(1) above, if we did not send notice in accordance with Paragraph a. above.
- d. The exhaustion of any limit of insurance by the payments of judgments or settlements, and the resulting end of our duty to defend, will not be affected by our failure to comply with any of the provisions of this Condition.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES – EBL

This endorsement modifies insurance provided under the following:

EMPLOYEE BENEFITS LIABILITY COVERAGE PART

PROVISIONS

- The following replaces Paragraph 1.a. of SECTION I – EMPLOYEE BENEFITS LIABILITY COVERAGE:
 - 1. Insuring Agreement
 - a. We will pay those sums that the insured becomes legally obligated to pay as damages because of loss to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages even if the allegations of the "suit" are groundless, false or fraudulent. However, we will have no duty to defend the insured against any "suit" seeking damages for loss to which this insurance does not apply. We may, at our discretion, investigate any negligent act, error or omission and settle any claim or "suit" that may result: But:
 - (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
 - (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

2. The following is added to Paragraph 1.b. of SECTION I – EMPLOYEE BENEFITS LIABILITY COVERAGE:

If there is a "reduction in coverage" under this insurance while it is in effect, this insurance applies to any claim or "suit" for loss that would no longer be covered solely because of such "reduction in coverage" only if such claim or "suit" is first made or brought against any insured:

(1) In accordance with Paragraph e.(1) below, during the Basic Extended Reporting Period that applies to such "reduction in coverage", or during the Supplemental Extended

- Reporting Period that applies to such "reduction in coverage" if that supplemental period is provided; or
- (2) In accordance with Paragraph e.(2) below, during the policy period and before the date of such "reduction in coverage".
- The following is added to Paragraph 2., Duties In The Event Of Act, Error Or Omission, Claim Or Suit, of SECTION V — EMPLOYEE BENEFITS LIABILITY CONDITIONS:

Notice given by or on behalf of the insured, or written notice by or on behalf of the injured person or any other claimant, to any agent of ours in New York State, with particulars sufficient to identify the insured, shall be considered to be notice to us.

4. The following is added to Paragraph 2., Duties In The Event Of Act, Error Or Omission, Claim Or Suit, of SECTION V — EMPLOYEE BENEFITS LIABILITY CONDITIONS:

Failure to give notice to us as required under this condition will not invalidate any claim made by the insured, injured person or any other claimant unless the failure to provide such timely notice has prejudiced us. However, no claim made by the insured, injured person or any other claimant will be invalidated based on this condition if it can be shown not to have been reasonably possible to give such timely notice and that notice was given as soon as was reasonably possible thereafter.

5. The following replaces the first sentence of Paragraph 3., Legal Action Against Us, of SECTION V – EMPLOYEE BENEFITS LIABILITY CONDITIONS:

Except as otherwise provided in this Condition, no person or organization has a right under this Coverage Part:

- To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- **b.** To sue us on this Coverage Part unless all of its terms have been fully complied with.

6. The following is added to Paragraph 3., Legal Action Against Us, of SECTION V – EMPLOYEE BENEFITS LIABILITY CON-DITIONS:

If we deny coverage or do not admit liability because an insured or the injured person, someone acting for the injured person or other claimant fails to give us written notice as soon as practicable, then the injured person, someone acting for the injured person or other claimant may bring an action against us, provided the sole question is whether the denial of coverage or nonadmission of liability is based on the failure to provide timely notice.

However, the injured person, someone acting for the injured person or other claimant may not bring an action if within 60 days after we deny coverage or do not admit liability, we or an insured:

- **a.** Brings an action to declare the rights of the parties under the policy; and
- **b.** Names the injured person, someone acting for the injured person or other claimant as a party to the action.
- 7. The following replaces paragraph **b.** of Paragraph **6.**, **Premium Audit**, of **SECTION V EMPLOYEE BENEFITS LIABILITY CONDITIONS**:
 - b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. An audit to determine the final premium due or to be refunded will be completed within 180 days after the expiration date of the policy. But the audit may be waived if the total annual premium attributable to the auditable exposure base is not reasonably expected to exceed \$1500. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured.
- 8. The following is added to SECTION V EMPLOYEE BENEFITS LIABILITY CON-DITIONS:

New York Claims-Made Requirements

a. The Retroactive Date may not be changed during:

- (1) The time that this claims-made coverage has been continuously in effect with us;
- (2) The Basic Extended Reporting Period; or
- (3) The Supplemental Extended Reporting Period, if it applies.
- b. If coverage for a person or organization other than you has ended because that person or organization no longer qualifies as an insured, we will continue to cover only those claims or "suits" against that person or organization that would have been covered had the claim or "suit" first been made or brought prior to the date the person or organization no longer qualified as an insured.
- 9. The following replaces Paragraph 1. of SECTION VI EXTENDED REPORTING PERIODS:
 - 1. We will provide one or more Extended Reporting Periods, as described below, if:
 - **a.** This insurance is cancelled or not renewed for any reason;
 - b. This insurance is replaced or renewed by us with insurance that has a "reduction in coverage"; or
 - c. There is a "reduction in coverage" under this insurance while such insurance is in effect.
- 10. The following replaces Paragraph 2. of SECTION VI EXTENDED REPORTING PERIODS:
 - Extended Reporting Periods do not extend the policy period or change the scope of coverage provided.
- 11. The following replaces Paragraph 3. of SECTION VI EXTENDED REPORTING PERIODS:
 - 3. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period, or the date of a "reduction in coverage" if earlier than the end of the policy period, and lasts for 90 days. Once in effect, the Basic Extended Reporting Period may not be cancelled.

The insurance provided for claims or "suits" first made or brought against any insured during the Basic Extended Reporting Period is excess over any valid and collectible other insurance available under insurance in force after the Basic Extended Reporting Period starts.

The Basic Extended Reporting Period does not reinstate or increase the limits of insurance.

12. The following replaces the first, second and third paragraphs of Paragraph 4. of SECTION VI – EXTENDED REPORTING PERIODS:

A Supplemental Extended Reporting Period of three years is available, but only by an endorsement and for an extra charge. This supplemental period replaces the Basic Extended Reporting Period. The Supplemental Extended Reporting Period starts with:

- **a.** The end of the policy period, if this supplemental period applies because this insurance is cancelled or not renewed; or
- b. The date of the "reduction in coverage", if this supplemental period applies because this insurance is replaced or renewed by us with insurance that has a "reduction in coverage" or if there is a "reduction in coverage" under this insurance while such insurance is in effect.

The Supplemental Extended Reporting Period will not go into effect unless we receive all of the following within 90 days after the end of the policy period, or the date of a "reduction in coverage" if earlier than the end of the policy period, and you have fulfilled all other duties and complied with all other conditions and requirements under this policy:

- a. A written request from you to purchase the Supplemental Extended Reporting Period Endorsement;
- **b.** Full payment of the earned premium for this policy;
- Payment of the additional premium for the Supplemental Extended Reporting Period Endorsement; and
- **d.** Repayment of any deductible you owe us under this policy.

We will determine the additional premium for that endorsement in accordance with our rules and rates. The additional premium for the Supplemental Extended Reporting Period Endorsement will be 75% of the annual premium for this policy.

13. The following is added to SECTION VI – EXTENDED REPORTING PERIODS:

We will notify you in writing within 30 days after the end of the policy period, or within 30 days after the date of a "reduction in coverage" if earlier than the end of the policy period, of:

- a. The Basic Extended Reporting Period;
- **b.** The need for purchasing a Supplemental Extended Reporting Period Endorsement; and
- c. The cost of that endorsement, except when this insurance is being canceled due to nonpayment of premium or fraud on the part of any insured and you do not request that we notify you of that cost.

However, we will not provide this notice if this insurance is canceled due to non-payment of premium or fraud on the part of any insured and the claims-made relationship has continued for less than one year.

14. The following is added to SECTION VI – EXTENDED REPORTING PERIODS:

If this insurance is canceled or not renewed, and you or your trustee chooses not to purchase a Supplemental Extended Reporting Period Endorsement after you:

- a. Have been placed in liquidation or bankruptcy; or
- b. Have permanently ceased your operations;

any person or organization that qualified as an insured when this insurance was canceled or not renewed, other than you, has the right to make a written request, within 120 days after this insurance ends, for the purchase of a Supplemental Extended Reporting Period Endorsement.

If there is a "reduction in coverage", and you or your trustee chooses not to purchase a Supplemental Extended Reporting Period Endorsement for a "reduction in coverage" reason after you:

- a. Have been placed in liquidation or bankruptcy; or
- **b.** Have permanently ceased your operations;

any person or organization that qualified as an insured when coverage was reduced, other than you, has the right to make a written request, within 120 days of that reduction, for the purchase of the Supplemental Extended Reporting Period Endorsement for that reduction.

But we are not required to notify such persons or organizations of the availability of a Supplemental Extended Reporting Period Endorsement. And if they request such coverage, they are responsible for the payment of the additional premium for such endorsement.

- **15.** The following replaces the definition of "administration" in **SECTION VII DEFINITIONS**:
 - "Administration" means:
 - a. Giving counsel, other than legal advice, to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of the "employee benefit program";
 - **b.** Handling records in connection with the "employee benefit program"; or
 - **c.** Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program."

- However, "administration" does not include handling payroll deductions.
- **16.** The following is added to **SECTION VII – DEFINITIONS**:

"Reduction in coverage" means any decrease in limits, reduction in coverage, increased deductible or self-insured retention, addition of a new exclusion, or other change in coverage less favorable to the insured.



EMPLOYMENT PRACTICES LIABILITY WITH **IDENTITY FRAUD EXPENSE REIMBURSEMENT COVERAGE PART DECLARATIONS - NEW YORK** POLICY NO.: 680-9N029386-19-42

ISSUE DATE: 09/12/2019

THIS IS A CLAIMS-MADE POLICY WITH DEFENSE EXPENSES INCLUDED IN THE LIMIT OF LIABILITY. THE RETENTION WILL APPLY TO DEFENSE EXPENSES AND DEFENSE EXPENSES WILL REDUCE AND MAY COMPLETELY EXHAUST THE LIMIT OF LIABILITY. THE COMPANY WILL NOT BE LIABLE FOR DEFENSE EXPENSES OR FOR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT AFTER EXHAUSTION OF THE LIMIT OF LIABILITY.

INSURING COMPANY: TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA

POLICY PERIOD: From 09/10/2019 to 09/10/2020 12:01 A.M. Standard Time at your mailing address shown in the Common Policy Declarations.

The Employment Practices Liability* With Identity Fraud Expense Reimbursement Coverage Part consists of these Declarations and the Coverage Form shown below.

LIMIT OF INSURANCE AND RETENTION FOR EMPLOYMENT PRACTICES LIABILITY ITEM 1. COVERAGE

Limit of Insurance:

\$ 100,000

(Defense Expenses are included within the Limit of Insurance)

Retention Amount applicable to each Employment Practices Liability Claim: \$ 2,500

DEDUCTIBLE ITEM 2. OF INSURANCE AND FOR IDENTITY FRAUD **EXPENSE** REIMBURSEMENT COVERAGE

Limit of Insurance:

\$ 2,500

Deductible Amount applicable to Identity Fraud Expense Reimbursement: \$ 0

EMPLOYMENT PRACTICES LIABILITY COVERAGE EXTENDED REPORTING PERIOD ITEM 3.

Subject to the terms and conditions of the Employment Practices Liability Coverage, an optional Extended Reporting Period may be purchased for: 12 months for 75 % of the Premium for the Policy Period.

EMPLOYMENT PRACTICES LIABILITY CONTINUITY DATE ITEM 4.

Continuity Date: 09/10/2019

ITEM 5. PREMIUM: INCLUDED

ITEM 6. NUMBERS OF FORMS, SCHEDULES AND ENDORSEMENTS FORMING THIS COVERAGE PART ARE ATTACHED AS A SEPARATE LISTING.

NEW YORK CLAIMS-MADE DISCLOSURE IMPORTANT NOTICE TO APPLICANT OR POLICYHOLDER

This notice contains important information about your Claims Made Coverage. This Notice will accompany all applications and Coverage Part Declarations.

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR LOCAL COMPANY REPRESENTATIVE IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.

- 1. This Coverage Part, subject to its terms, applies only to any "claim" first made against the "insured" during the "policy period" or any applicable Extended Reporting Period. This Coverage Part, subject to its terms, does not apply to any "claim" first made against the "insured" after the "policy period" or any applicable Extended Reporting Period or reported after the "termination of coverage".
- 2. This Coverage Part provides no coverage for "claims" arising out of incidents, occurrences or alleged "wrongful employment practices" which took place prior to any retroactive date stated in the policy.
- 3. The premium charge for an additional Optional Extended Reporting Period, if purchased, will be stated in ITEM 3 of the Declarations. The cost for the Optional Extended Reporting Period is based on rates in effect as of the Inception Date.
- **4.** During the first several years of a claims-made relationship, claims made rates are comparatively lower than occurrence rates. You can expect substantial annual premium increases, independent of overall rate level increases, until the claims made relationship reaches maturity.
- 5. All coverage for the Coverage Part ceases upon the Coverage Part termination date, except for the sixty (60) day automatic Extended Reporting Period, unless an additional Optional Extended Reporting Period is purchased. The Extended Reporting Period, including the automatic Extended Reporting Period, is one year from the Coverage Part termination date, and is subject to a premium of 75% of the premium for the Policy Period. Potential coverage gaps may arise upon expiration of the Extended Reporting Period. Within thirty (30) days after termination of coverage, we will advise you in writing of the automatic extended reporting period coverage and the availability of, the premium for, and the importance of purchasing additional extended reporting period coverage.
- 6. The limit of liability contained in this Coverage Part shall be reduced, and may be completely exhausted, by "defense expenses". We will not be liable for "defense expenses" plus the amount of any judgment or settlement exceeding the limit of liability of this Coverage Part. "Defense expenses", however, will be applied against the deductible/retention amount.
- 7. The "insured" will have the option to: (1) select the defense attorney or to consent to our choice of defense attorney, which consent will not be unreasonably withheld; (2) participate in, and assist in the direction of, the defense of any "claim"; and (3) consent to a settlement, which consent will not be unreasonably withheld.
- **8.** The "insured" has the right to obtain, upon written request, an accounting of legal defense costs actually expended in the event of "claim".

WITH IDENTITY FRAUD EXPENSE REIMBURSEMENT COVERAGE FORM

This Coverage Part includes two coverages: EMPLOYMENT PRACTICES LIABILITY COVERAGE, and IDENTITY FRAUD EXPENSE REIMBURSEMENT COVERAGE

EMPLOYMENT PRACTICES LIABILITY COVERAGE PROVIDES CLAIMS-MADE COVERAGE. DEFENSE EXPENSES ARE PAYABLE WITHIN, AND ARE NOT IN ADDIT ION TO, THE LIMIT OF INSURANCE. PAYMENT OF DEFENSE EXPENSES WILL REDUCE THE LIMIT OF INSURANCE FOR EMPLOYMENT PRACTICES LIABILITY COVERAGE AND WILL BE APPLIED AGAINST THE RETENTION AMOUNT.

PLEASE READ THE ENTIRE FORM CAREFULLY

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Common Policy Declarations, including any other organization qualifying as a Named Insured under this policy, other than any "subsidiary". For any Named Insured who is a person, "you" and "your" refers to such person doing business as a sole proprietorship and only with respect to the conduct of the business of which such person is the sole owner. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under the applicable **Who Is An Insured** provision for each coverage included in this Coverage Part.

Other words and phrases that appear in quotation marks have special meaning for the coverages included in this Coverage Part. Refer to the applicable **Definitions** provision for each coverage included in this Coverage Part for the meanings applicable to that coverage.

SECTION I – EMPLOYMENT PRACTICES LIABILITY COVERAGE

A. Insuring Agreement

1. We will pay on behalf of the insured, "damages" and "defense expenses" on account of a "claim" first made during the "policy period" for an actual or alleged "wrongful employment practice". We will have the right and duty to defend any "claim", including the right to select defense counsel with respect to such "claim", even if the allegations are groundless, false or fraudulent; provided, that we will not be obligated to defend or to continue to defend any "claim" after the applicable Limit of Insurance has been exhausted by payment of "damages" or "defense expenses" or both.

We may, with the written consent of the insured, make such settlement or compromise of any "claim" as we deem expedient, and if the insured refuses to consent to the settlement of any "claim" as recommended by us based upon a judgment or a bona fide offer of settlement, then the insured thereafter must negotiate or defend such "claim" independently of us and on the insured's own behalf

and solely at the expense of the insured; in such event all "defense expenses" and other costs and expenses incurred or paid by the insured after the date the insured refused to consent to settlement as recommended by us, will be the sole responsibility of the insured and will not be recoverable under this Employment Practices Liability Coverage, and the insured also will be solely responsible for all "damages" in excess of the lower of the amount for which settlement could have been made as recommended by us or the remaining portion of the Limit of Insurance.

- 2. This Employment Practices Liability Coverage applies to any "wrongful employment practice" only if the "wrongful employment practice" was not committed in whole or in part, prior to the Continuity Date shown in ITEM 4. of the Declarations for this Coverage Part.
- 3. This Employment Practices Liability Coverage applies to any "wrongful employment practice" that is committed and "claim" that is made anywhere in the world, except the "prohibited area".

- **4.** A "claim" will be deemed to be made on the earliest date a written demand or notice thereof is received by the insured.
- 5. All "related claims" are a single "claim" for purposes of the Employment Practices Liability Coverage, and all "related claims" will be deemed to have been made at the time the first of such "related claims" was made whether prior to or during the "policy period".
- 6. If, during the "policy period", the insured first becomes aware of a "potential claim" and, during such "policy period", gives written notice thereof as set forth herein to us, then if a "claim" is subsequently made against the insured by the "claimant" for the actual or alleged "wrongful employment practice" such "claim" will be deemed to have been first made during such "policy period". The written notice must include the particulars of such "potential claim", including all facts constituting the actual or alleged "wrongful employment practice", the identity of each person allegedly involved in or affected by such "wrongful employment practice", and the date(s) of the alleged events, all of which must be provided as soon as practicable, but in any event prior to the end of such "policy period". Notice of any actual "claim" which is subsequently made with respect to such "potential claim" must be given in accordance with Paragraph B.1. of SECTION III - CON-DITIONS APPLICABLE TO THIS COVER-AGE PART.

B. Exclusions

 This Employment Practices Liability Coverage will not apply to, and we will have no duty to defend or pay "damages" or "defense expenses" for, any "claim":

a. Property Damage Or Bodily Injury

For "property damage", or for or arising out of "bodily injury"; provided, that this exclusion will not apply to that portion of a "claim" seeking "damages" for emotional distress, loss of reputation, mental anguish or humiliation.

b. Workers Compensation And Similar Laws

For any obligation imposed by, or arising out of an insured's failure to comply with, any law concerning workers' compensation, unemployment insurance, social security, disability insurance, or any similar state, federal or local law or regulation;

provided, that this exclusion will not apply to "claims" for "retaliation".

c. Liability Assumed Under Contract Or Agreement

For or arising from or in consequence of the liability of others assumed by an insured under any contract or agreement, oral or written, except to the extent that the insured would have been liable in the absence of such contract or agreement.

d. Express Contract

For or arising from or in consequence of liability of the insured under any express contract or agreement.

e. Independent Contractors

For liability under any agreement governing the terms of the labor or service of an "independent contractor", temporary worker or leased employee with you, your "subsidiary" or any entity that is an insured under the **Who Is An Insured** provision, Paragraph **C.1.e.**.

f. ERISA

For alleged violation of responsibilities, duties or obligations imposed on an insured under the Employee Retirement Income Security Act of 1974 ("ERISA"), including amendments thereto and regulations promulgated thereunder, or any similar or related federal, state or local law; or for an insured's failure or refusal to establish, contribute to, pay for, insure, maintain, provide benefits pursuant to, or enroll or maintain the enrollment of an "employee" or dependent in, any employee benefit plan, fund or program, including contracts or agreements which are not subject to the provisions of ERISA; provided, that this exclusion will not apply to "claims" for "retaliation".

g. Other Employment Laws

For alleged violation of responsibilities, duties or obligations imposed on an insured under the Consolidated Omnibus Budget Reconciliation Act of 1985, Workers' Adjustment and Retraining Notification Act, Occupational Safety and Health Act, or amendments thereto or regulations promulgated thereunder, or any similar or related law; provided, that this exclusion will not apply to "claims" for "retaliation".

h. NLRA, Strikes Or Lockouts

For or arising out of a lockout, strike, picket line, hiring of replacement workers or other similar action in connection with any labor dispute or labor negotiation; or for or arising out of any alleged violation of responsibilities, duties or obligations imposed on an Insured under the National Labor Relations Act or amendments thereto or regulations promulgated thereunder, or any similar or related law.

i. Pollution

- (1) Based upon or arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of any "pollutant";
- (2) Based upon or arising out of any request, demand, order, or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, any "pollutant"; or
- (3) Brought by or on behalf of any governmental authority because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, any "pollutant";

provided that this exclusion will not apply to "claims" for "retaliation".

i. Known Wrongful Employment Practice

For or arising out of any fact, transaction or event which is or reasonably would be regarded as a "wrongful employment practice" about which any "responsible person" had knowledge prior to the Continuity Date shown in ITEM 4. of the Declarations for this Coverage Part.

k. Prior Or Pending Litigation

For or arising out of any fact, circumstance, situation, transaction, event or "wrongful employment practice" underlying or alleged in any prior or pending ci vil, criminal, administrative or regulatory proceeding as of the Continuity Date shown in ITEM 4. of the Declarations for this Coverage Part.

I. Notice Under Other Policy Of Insurance

For or arising out of any fact, circumstance, situation, transaction, event or "wrongful employment practice" which, before the effective date of this Coverage Part, was the subject of any notice given by or on behalf of any insured under any other policy of insurance.

m. Laws Related To The Payment Of Wages

For any alleged violation of responsibilities, duties or obligations imposed on an insured under any federal, state, or local law or regulation governing or related to the payment of wages including the payment of overtime, on-call time or minimum wages, or the provision of meal or rest breaks, or the classification of employees for the purpose of determining employees' eligibility for compensation under such laws; provided, that this exclusion will not apply to "claims" for "retaliation" or for alleged violations of the Equal Pay Act.

n. Subsidiaries

For or arising out of any actual or alleged "wrongful employment practice" committed by any "subsidiary", any acquired entity, or any person thereof who is an insured, during any time when such entity is not a "subsidiary" or prior to the acquisition of such entity.

Under this Employment Practices Liability Coverage, we will have no duty to pay "damages", but will pay "defense expenses", resulting from any "claim" seeking the following:

a. Injunctive Relief

Costs and expenses incurred or to be incurred to comply with an order, judgment or award of injunctive or other equitable relief of any kind, or that portion of a settlement encompassing injunctive or other equitable relief, including but not limited to actual or anticipated costs and expenses associated with or arising from an insured's obligation to provide reasonable accommodation under, or otherwise comply with, the Americans With Disabilities Act or the Rehabilitation Act of 1973, including amendments thereto and regulations thereunder, or any related or similar law or regulation.

b. Severance Pay or Penalties

Severance pay or penalties under any policy or procedure providing for payment in the event of separation from employment; or sums sought solely on the basis of a "claim" for unpaid services.

C. Who Is An Insured

- **1.** The following are insureds for Employment Practices Liability Coverage:
 - **a.** You and any of your "subsidiaries" are insureds.
 - b. Any present or former "employees", duly elected or appointed officers, directors, natural person partners or members of the board of managers of, you, your "subsidiaries" or any entity that is an insured under the Who Is An Insured provision, Paragraph C.1.e. are insureds for actual or alleged "wrongful employment practices" committed in the discharge of his or her duties as such.
 - c. Any heir, executor, administrator, assignee or other legal representative of any insured identified in Paragraph b. above, is an insured in the event of the death, incapacity or bankruptcy of any such insured identified in Paragraph b. while acting in the capacity as legal representative for that deceased insured.
 - d. Any person who, at the time the "claim" is made, is a lawful spouse, or a person qualifying as a Domestic Partner under the provisions of any applicable federal, state or local law (a "Domestic Partner"), of an insured, is also an insured, but only if:
 - (1) The "claim" against such spouse or Domestic Partner results from a "wrongful employment practice" actually or allegedly committed by the insured to whom the spouse is married, or to whom the Domestic Partner is joined; and
 - (2) Such insured and his or her spouse or Domestic Partner are represented by the same counsel in connection with such "claim".

However, such spouse or Domestic Partner of an insured will not have any greater right to coverage under this Employment Practices Liability Coverage than the insured to whom such spouse is

- married, or to whom such Domestic Partner is joined; and will not be an insured for any "wrongful employment practice" committed by such spouse or Domestic Partner.
- e. Any entity that, during the "policy period", you acquire by merger or form or acquire in which you own more than fifty percent (50%) of the outstanding securities representing the right to vote for the election of such corporation's directors, or the right to elect, appoint or designate more than fifty percent (50%) of the members of such limited liability company's board of managers, is an insured, but only for "claims" for "wrongful employment practices" which are committed wholly during the time that you own more than fifty percent (50%) of such entity.

If such acquired or formed entity's "employees" equal more than ten percent (10%) of the combined number of "employees" of you and your "subsidiaries" stated in your most recent application submitted to us, then each of the following is a condition precedent to coverage for such entity:

- (1) Notice of the formation or acquisition has been given to us, and specific request has been submitted to us together with such documentation and information as we require, all within ninety (90) days after the effective date of such formation or acquisition;
- (2) We have agreed to provide coverage under the Employment Practices Liability Coverage to such entity subject to such additional terms and conditions, including payment of any additional premium, as we may require.

If the acquired or formed entity's "employees" equal no more than ten percent (10%) of the combined number of "employees" of you and your "subsidiaries" stated in your most recent application submitted to us, then notice of such formation or acquisition should be given to us prior to the end of the "policy period".

2. The following are not insureds for Employment Practices Liability Coverage:

- a. Any "subsidiary" or formed or acquired entity is not an insured for any actual or alleged "wrongful employment practice" committed by such entity, or any person thereof who is an insured, during any time prior to such entity becoming your "subsidiary" or prior to your formation or acquisition of such entity.
- b. Any "subsidiary" or formed or acquired entity is not an insured for any actual or alleged "wrongful employment practice" committed by such entity, or any person thereof who is an insured, during any time within the "policy period" after which you cease to own more than fifty percent (50%) of such entity. But so long as this **Employment Practices Liability Coverage** remains in effect as to you, coverage for such "subsidiary" or formed or acquired entity will continue to apply to "claims" for "wrongful employment practices" committed wholly prior to the date on which you ceased to own more than fifty percent (50%) of such entity.

D. Limit Of Insurance

- 1. Regardless of the number of persons or entities bringing "claims" and regardless of the number of persons or entities who are insureds, the total limit of our liability to make any payment, including "defense expenses", because of all "claims", including "related claims", made during a single "policy period", will not exceed the amount shown in ITEM 1. of the Declarations for this Coverage Part as the Limit of Insurance, regardless of when payment is made and regardless of when an insured's legal obligation with regard thereto arises or is established. Payment of "defense expenses" will reduce and may exhaust the Limit of Insurance.
- 2. In the event of a judgment in excess of the portion of the Limit of Insurance remaining after prior payments of judgments, settlements, and "defense expenses", our liability with regard thereto will not exceed the then remaining amount of the Limit of Insurance. In no event will we be obligated to make any payment with regard to a "claim" or judgment after the Limit of Insurance has been exhausted by payment or tender of payment with regard to "defense expenses", judgments or settlements.

E. Retention Amount

The Retention Amount shown in ITEM 1. of the Declarations for this Coverage Part will be deducted from all amounts, including "defense expenses", paid by us for each "claim". We will be liable only for sums in excess of the Retention Amount. We will have no obligation to pay "damages" or "defense expenses" until the Retention Amount has been paid by the insured. We may elect to pay all or part of the Retention Amount and, upon notice of the action taken by us, the insured will promptly reimburse us such part of the Retention Amount as has been paid by us.

F. Extended Reporting Period

At any time prior to or within thirty (30) days after the effective date of termination or cancellation for any reason other than nonpayment of premium. the first Named Insured may give us written notice that the first Named Insured desires to purchase, subject to the period of time and percent of premium shown in ITEM 3. of the Declarations for this Coverage Part, the Extended Reporting Period following the effective date of termination or cancellation, regarding "claims" which may be made during such Extended Reporting Period against persons or entities who at the effective date of termination or cancellation are insureds, but only for "wrongful employment practices" committed wholly prior to the effective date of the termination or cancellation, subject to the following provisions:

- 1. Such Extended Reporting Period will be deemed to be part of the "policy period" and not in addition thereto.
- 2. Such Extended Reporting Period will not provide a new, additional or renewed Limit of Insurance, and the Limit of Insurance applicable to all "claims" made during such Extended Reporting Period will be only the remaining portion of the Limit of Insurance for the "policy period" as so extended.
- Notice of a "Potential Claim" may not be given by any insured during such Extended Reporting Period.
- 4. Such Extended Reporting Period will terminate on the effective date of any insurance purchased or obtained by the first Named Insured or the first Named Insured's successors in business, which replaces in whole or in part the insurance afforded by this Employment Practices Liability Coverage. If such other policy provides no coverage for acts occurring prior to its effective date, it will not be deemed

a replacement within the meaning of this provision.

G. Definitions

The following definitions apply to this Employment Practices Liability Coverage:

 "Bodily injury" means bodily injury, sickness or disease sustained by a person, including loss of consortium or death resulting from any of these at any time.

2. "Claim":

- a. Means any of the following submitted to an insured by or on behalf of or for the benefit of a "claimant" for an actual or alleged "wrongful employment practice":
 - (1) A written demand for monetary or injunctive relief;
 - (2) A civil or administrative proceeding commenced with a summons, pleading or other legal document; or
 - (3) A written request to toll or waive a statute of limitations relating to a potential civil or administrative proceeding;
- b. Does not include any labor or grievance arbitration or other proceeding pursuant to a collective bargaining agreement or any type of criminal proceeding.

3. "Claimant" means:

- a. A present or former "employee" of or applicant for employment with you, your "subsidiary" or any entity that is an insured under the Who Is An Insured provision, Paragraph C.1.e.;
- b. A governmental entity or agency, including but not limited to the Equal Employment Opportunity Commission or similar state or local agency, when acting on behalf of or for the benefit of present or former "employees" or applicants for employment; or
- c. Any "independent contractor".

4. "Damages":

a. Means money which an insured is legally obligated to pay as a result of a "claim", including settlements; judgments; back and front pay; compensatory damages; prejudgment and post-judgment interest; and legal fees and expenses of a "claimant" awarded pursuant to a court order or judgment.

b. Does not include:

- (1) Civil or criminal fines; sanctions; punitive or exemplary damages or the multiplied portion of any multiplied damage award; liquidated damages; payroll or other taxes; or damages, penalties or types of relief deemed uninsurable under applicable law;
- (2) Future compensation, including salary or benefits, for a "claimant" who has been or will be hired, promoted or reinstated to employment pursuant to a settlement, court order, judgment, award or other resolution of a "claim"; or that part of any judgment or settlement which constitutes front pay, future monetary losses including but not limited to pension and other benefits, or other future economic relief or the value or equivalent thereof, if the insured has been ordered, or has the option pursuant to a judgment, order or other award or disposition of a "claim", to promote, accommodate, reinstate, or hire the "claimant" to whom such sums are to be paid, but fails to do so; and
- (3) Medical, pension, disability, life insurance, stock options or other similar employee benefits, except and to the extent that a judgment or settlement of a "claim" includes a monetary component measured by the value of pension, medical, disability, life insurance, stock options or other similar employee benefits, as consequential damages for a "wrongful employment practice".

5. "Defense Expenses":

- a. Means reasonable and necessary legal fees and expenses incurred in the investigation, adjustment, defense and appeal of "claims", including but not limited to, cost of expert consultants and witnesses and premiums for appeal, injunction, attachment or supersede as bonds (without the obligation to furnish such bonds);
- b. Does not include salaries, wages, benefits or overhead of, or paid to, any insured.
- 6. "Discrimination" means any actual or alleged:
 - **a.** Violation of any employment discrimination law; or

- b. Disparate treatment of, or the failure or refusal to hire a "claimant" because he or she is or claims to be a member of a class which is or is alleged to be legally protected.
- 7. "Employee" means an individual whose labor or service is engaged by and directed by you, your "subsidiary" or any entity that is an insured under the Who Is An Insured provision, Paragraph C.1.e. and:
 - **a.** Who is on that insured's payroll, including full-time, part-time and seasonal workers;
 - Who is a temporary worker or volunteer; or
 - c. Whose services have been leased by you, your "subsidiary" or any entity that is an insured under the Who Is An Insured provision, Paragraph C.1.e.

The status of an individual as an "employee" will be determined as of the date of the actual or alleged "wrongful employment practice".

- 8. "Independent Contractor" means any natural person who performs labor or service solely for you, your "subsidiary" or any entity that is an insured under the Who Is An Insured provision, Paragraph C.1.e., on a full-time basis pursuant to a written contract or agreement, where such labor or service is under that insured's exclusive direction. The status of an individual as an "independent contractor" will be determined as of the date of the actual or alleged "wrongful employment practice".
- 9. "Policy Period" means the policy period shown by the dates set forth in the Declarations for this Coverage Part. In no event will the "policy period" continue past the effective date of termination or cancellation of this Coverage Part.
- 10. "Pollutant" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 11. "Potential Claim" means a complaint lodged with a "responsible person" that a "wrongful employment practice" has been committed, and which does not constitute a "claim", but which reasonably may be expected to subsequently give rise to a "claim".

- 12. "Prohibited area" means any country or jurisdiction while any trade sanction, embargo or similar regulation imposed by the United States of America applies to and prohibits the transaction of business with or within such country or jurisdiction.
- **13.** "Property damage" means:
 - a. Physical injury to tangible property, including all resulting loss of use of that property; or
 - **b.** Loss of use of tangible property that is not physically injured.
- 14. "Related Claims" means:
 - a. All "claims" based upon, directly or indirectly arising or resulting from, or in any way involving, the same facts, circumstances, situations, transactions, events or "wrongful employment practices"; and
 - b. All "claims" based upon a series of continuous or related facts, circumstances, situations, transactions, events or "wrongful employment practices".
- **15.** "Responsible Person" means:
 - A duly elected or appointed officer, director, natural person partner, principal, or member of the board of managers;
 - A member of the staff of the human resources department; or
 - **c.** A member of the in-house legal department or general counsel's office;
 - of the Named Insured, any "subsidiary", or any entity that is an insured under the **Who Is An Insured** provision, Paragraph **C.1.e.**.
- 16. "Retaliation" means "wrongful termination" or other adverse employment action against a "claimant" on account of such "claimant's" exercise or attempted exercise of rights protected by law, refusal to violate any law, or on account of the "claimant" having assisted or testified in or cooperated with a proceeding or investigation regarding alleged violations of law.
- 17. "Sexual Harassment" means unwelcome sexual advances, requests for sexual favors or any other conduct of a sexual nature: which is made a term or condition of a "claimant's" employment or advancement; which the submission to or rejection of is used as a basis for decisions affecting the "claimant"; or which has the purpose or effect of creating an

intimidating, hostile or offensive work environment.

- 18. "Subsidiary" means any corporation or limited liability company in which, on or prior to the first day of the "policy period" shown in the Declarations for this Coverage Part, you own, directly or through one or more "subsidiaries", more than fifty percent (50%) of the outstanding securities representing the right to vote for the election of such corporation's directors, or the right to elect, appoint or designate more than fifty percent (50%) of the members of such limited liability company's board of managers.
- 19. "Workplace Harassment" means harassment, other than "sexual harassment", which creates a work environment that interferes with job performance, or creates an intimidating, hostile, or offensive work environment.
- 20. "Wrongful Employment Practice" means any of the following occurring in the course of or arising out of the "claimant's" employment, application for employment or performance of services with you, your "subsidiary" or any entity that is an insured under the Who Is An Insured provision, Paragraph C.1.e.:
 - a. "Discrimination";
 - b. "Retaliation";
 - c. "Sexual harassment";
 - d. "Workplace harassment";
 - e. "Wrongful termination";
 - f. Breach of employment agreement;
 - g. Violation of the Family Medical Leave Act;
 - h. Employment-related misrepresentation;
 - Invasion of privacy, or defamation, including libel or slander;
 - j. Failure to: create or enforce adequate workplace or employment policies and procedures, employ or promote, or grant tenure; and
 - Wrongful: discipline, denial of training, deprivation of career opportunity, denial or deprivation of seniority, or evaluation.
- 21. "Wrongful Termination" means actual or constructive termination of an employment relationship with you, your "subsidiary" or any entity that is an insured under the Who Is An Insured provision, Paragraph C.1.e., in a manner or for a reason which is contrary to applicable law or public policy, or in violation of an implied employment agreement.

SECTION II – IDENTITY FRAUD EXPENSE REIM-BURSEMENT COVERAGE

A. Insuring Agreement

We will reimburse an insured for "expenses" as the direct result of any one "identity fraud" discovered during the "policy period".

This Identity Fraud Expense Reimbursement Coverage applies only to "identity fraud", occurring anywhere in the world except the "prohibited area", which is either discovered during, or occurs wholly during, the "policy period" and is reported to us during the "policy period" or within 30 days following the termination of either:

- 1. This Coverage Part; or
- The insured's employment with you or your "subsidiary".

B. Exclusions

This Identity Fraud Expense Reimbursement Coverage does not apply to:

1. Fraudulent, Dishonest or Criminal Acts

Loss due to any fraudulent, dishonest or criminal act by an insured or any person acting in concert with an insured, or by any authorized representative of an insured, whether acting alone or in collusion with others.

2. Loss Other Than Expenses

Loss other than "expenses".

3. When Individual Not An Insured

An "identity fraud" that was discovered, or "expenses" incurred, when an individual was not an insured.

4. Nuclear

Loss due to nuclear reaction, nuclear radiation or radioactive contamination, or due to any act or condition incident to any of the foregoing.

5. War

Loss due to war, whether or not declared, civil war, insurrection, rebellion, revolution, or to any act or condition incident to any of the foregoing.

C. Who Is An Insured

An individual whose labor or service is engaged by and directed by you or your "subsidiaries" and who is on your payroll or the payroll of any of your "subsidiaries" including full-time and part-time workers. The status of an individual as an insured will be determined as of the date such person discovers "identity fraud".

D. Limit Of Insurance

Our limit of liability per insured for any one loss covered under this Identity Fraud Expense Reimbursement Coverage will not exceed the applicable Limit of Insurance shown in ITEM 2. of the Declarations for this Coverage Part. Under this Identity Fraud Expense Reimbursement Coverage, all losses incidental to an act or series of related acts or arising from the same method of operation, whether committed by one or more persons, will be deemed to arise out of one occurrence and will be treated as one loss. Should one such act cause a covered loss to more than one insured, the available Limit of Insurance under this Identity Fraud Expense Reimbursement Coverage and the deductible amount will apply to each insured separately.

Our liability to any one insured for all losses covered under this Identity Fraud Expense Reimbursement Coverage will not exceed the applicable Limit of Insurance shown in ITEM 2. of the Declarations for this Coverage Part.

E. Deductible

We will be liable only for the amount by which any loss exceeds the applicable Deductible Amount as shown in ITEM 2. of the Declarations for this Coverage Part. This Deductible Amount applies to each and every loss and will have no aggregate limitation.

F. Definitions

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The following definitions apply to this Identity Fraud Expense Reimbursement Coverage:

- "Expenses" means any of the following incurred by an insured:
 - a. Costs for notarizing fraud affidavits or similar documents for financial institutions or similar credit grantors or credit agencies that have required that such affidavits be notarized.
 - b. Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors.
 - c. Lost wages, up to a maximum payment of \$500 per week for a maximum period of four weeks, as a result of time taken off from work to meet with, or talk to, law enforcement agencies, credit agencies and/or legal counsel, to complete fraud affidavits, or due to wrongful incarceration arising solely from someone having committed a crime in the insured's name,

- provided, that all charges are dropped or the insured is acquitted.
- d. Loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.
- e. Charges incurred for long distance telephone calls to merchants, law enforcement agencies, financial institutions or similar credit grantors, or credit agencies to report or discuss an actual "identity fraud".
- f. Reasonable attorney fees incurred, with our prior consent, for:
 - Defense of lawsuits brought against the insured by merchants or their collection agencies,
 - (2) The removal of any criminal or civil judgments wrongly entered against an insured, and
 - (3) Challenging the accuracy or completeness of any information in a consumer credit report.
- **g.** Costs for daycare and eldercare incurred solely as a direct result of "identity fraud".
- 2. "Identity Fraud" means the act of knowingly transferring or using, without lawful authority, a means of identification of an insured with the intent to commit, or to aid or abet, any unlawful activity that constitutes a violation of Federal law or a felony under any applicable state or local law.
- 3. "Policy Period" means the policy period shown by the dates set forth in the Declarations for this Coverage Part; in no event will the "policy period" continue past the effective date of termination or cancellation of this Coverage Part.
- 4. "Prohibited area" means any country or jurisdiction while any trade sanction, embargo or similar regulation imposed by the United States of America applies to and prohibits the transaction of business with or within such country or jurisdiction.
- 5. "Subsidiary" means any corporation or limited liability company in which, on or prior to the first day of the "policy period" shown in the Declarations for this Coverage Part, you own, directly or through one or more "subsidiaries", more than fifty percent (50%) of the outstanding securities representing the right to vote for the election of such corporation's di-

rectors, or the right to elect, appoint or designate more than fifty percent (50%) of the members of such limited liability company's board of managers.

SECTION III – CONDITIONS APPLICABLE TO THIS COVERAGE PART

A. The following Conditions apply to both SECTION I — EMPLOYMENT PRACTICES LIABILITY COVERAGE and SECTION II — IDENTITY FRAUD EXPENSE REIMBURSEMENT COVERAGE in addition to the COMMON POLICY CONDITIONS:

1. Other Ins urance

This insurance will apply only as excess insurance over, and will not contribute with, any other valid and collectible insurance available to the insured, unless such other insurance is specifically in excess of the insurance provided by this Coverage Part.

2. Subrogation

In the event of payment under this Coverage Part, we will be subrogated to all of the insured's rights of recovery against any person or organization to the extent of such payment and the insured will execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured will do nothing to prejudice such rights.

3. Endorsements Applicable To Employment-Related Practices Liability Coverage Part

Any endorsement to this policy that states that it modifies insurance provided under the Employment-Related Practices Liability Coverage Part will be deemed to modify the insurance provided under this Coverage Part.

B. The following Conditions apply to SECTION I – EMPLOYMENT PRACTICES LIABILITY COV-ERAGE:

1. Insured's Duties In The Event Of A Claim

It is a condition precedent to all insurance afforded by this Employment Practices Liability Coverage that:

a. In the event the insured becomes aware that a "claim" has been made, written notice of the particulars of such "claim", including all facts constituting any actual or alleged "wrongful employment practice", the identity of each person allegedly involved in or affected by such "wrongful employment practice", and the date(s) of the alleged events, must be provided to

- us as soon as practicable but in no event more than ninety (90) days following termination of the "policy period".
- b. The insured must as soon as practicable forward to us every demand, notice, summons or legal process received with respect to any "claim".
- c. The insured must cooperate with us and, upon our request, assist in making settlements and in defense of "claims" and in enforcing rights of contribution or indemnity against any person or entity which may be liable to the insured because of an act or omission insured under this Employment Practices Liability Coverage, must attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.
- d. The insured will not voluntarily settle any "claim", make a settlement offer, assume or admit liability, nor, except at the insured's own cost, voluntarily make any payment, pay or incur any "defense expenses", or assume any obligation or incur any other expense, without our prior written consent, such consent not to be unreasonably withheld.

2. Action Against Us

No action will lie against us unless, as a condition precedent thereto, there will have been full compliance with all of the terms of his Employment Practices Liability Coverage, nor until the amount of the insured's obligation to pay has been finally determined either by judgment against the insured after actual trial or by written agreement of the insured, the "claimant" and us.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement will thereafter be entitled to recover under this Employment Practices Liability Coverage, in a court of competent jurisdiction in the United States, its territories or possessions, or Canada, to the extent of the insurance afforded by this Employment Practices Liability Coverage, No. person or organization will have any right under this Employment Practices Liability Coverage to join us as a party to any action against the insured to determine the insured's liability, nor will we be impleaded by the insured or said insured's legal representative. Bankruptcy or insolvency of the insured will

not relieve us of any of our obligations hereunder.

3. Representations

By accepting this Employment Practices Liability Coverage, each insured represents and agrees that the statements contained in the application, which is deemed to be attached hereto, incorporated herein, and forming a part hereof, are said insured's agreements and representations, that such representations are material to our acceptance of this risk, that we issued this Employment Practices Liability Coverage in reliance upon the truth of such representations, and it embodies all agreements between said insured and us or any of our agents.

If any statement or representation in the application is untrue with respect to this Employment Practices Liability Coverage, this Employment Practices Liability Coverage is void and of no effect whatsoever, but only with respect to:

- a. Any natural person who is an insured under the Who Is An Insured provision, Paragraph C.1.b.,c. or d. who knew, as of the effective date of this Coverage Part, that the statement or representation was untrue;
- b. Any Named Insured, any "subsidiary" or any entity that is an insured under the Who is an Insured provision, Paragraph C.1.e., if any "responsible person" knew that the statement or representation was untrue.

Whether a natural person who is an insured under the **Who Is An Insured** provision, Paragraph **C.1.b.,c.** or **d.** or any "responsible person" had such knowledge will be determined without regard to whether the natural person who is an insured under the **Who Is An Insured** provision, Paragraph **C.1.b.,c.** or **d.** or the "responsible person" actually knew the application, or any other applications completed or submitted for this Employment Practices Liability Coverage, contained any such untrue statement or representation.

4. Change Of Control

If more than fifty percent (50%) of the ownership of the first Named Insured is changed during the "policy period", this Employment Practices Liability Coverage will continue in full force and effect with respect to "claims" for "wrongful employment practices" committed wholly prior to such event, but coverage will cease with respect to "claims" for "wrongful employment practices" committed, in whole or in part, after such event.

C. The following Conditions apply to SECTION II – IDENTITY FRAUD EXPENSE REIMBURSE-MENT COVERAGE:

1. Change in Exposure

If, at any time during the "policy period", the number of insureds exceeds one hundred fifty per cent (150%) of the number of insureds stated in your most recent application submitted to us, then you will immediately provide written notice to us of such increase in insureds and will pay any additional premium that we may require.

2. Recoveries

Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this Identity Fraud Expense Reimbursement Coverage will be distributed as follows:

- a. First, to the insured, until the insured is reimbursed for any loss that was sustained by the insured that exceeds the Limit of Insurance and the Deductible Amount, if any;
- b. Then to us, until we are reimbursed for the settlement made: and
- c. Then to the insured until the insured is reimbursed for that part of the loss equal to the Deductible Amount, if any.

Recoveries do not include any recovery from insurance, suretyship, reinsurance, security or indemnity taken for our benefit.

3. Ownership Interests Covered

This Identity Fraud Expense Reimbursement Coverage will be for the sole use and benefit of the insured and you. It provides no rights or benefits to any other person, entity, or organization.

4. Insured's Duties When Loss Occurs

Upon knowledge or discovery of loss or of an occurrence which may give rise to a claim under the terms of this Identity Fraud Expense Reimbursement Coverage, the insured will give notice thereof as soon as practicable to us, and file detailed proof of loss, duly sworn to, with us within one hundred twenty (120) days after the discovery of loss. If the loss involves a violation of law, the insured will also notify the police.

Upon our request, the insured will submit to examination by us, subscribe the same, under oath if required, and produce for our examination all pertinent records, all at such reasonable times and places as we will designate, and will cooperate with us in all matters pertaining to loss or claims with respect thereto. Compliance with all terms and conditions of this Identity Fraud Expense Reimbursement Coverage is a precedent to recovery under this Identity Fraud Expense Reimbursement Coverage.

The insured will keep books, receipts, bills and other records in such manner that we can accurately determine therefrom the amount of any loss. At any time subsequent to the reporting thereof to us, we may examine and audit the insured's books and records as they relate to a loss under this Identity Fraud Expense Reimbursement Coverage.

5. Action Against Us

No action will lie against us unless, as a condition precedent thereto, there will have been

full compliance with all terms of this Identity Fraud Expense Reimbursement Coverage, nor until 90 days after the required proof of loss has been filed with us, nor at all unless commenced within two years from the date when the insured first discovers the loss. If any limitation of time for notice of loss or any legal proceeding herein contained is shorter than that permitted to be fixed by agreement under any statute controlling the construction of this Identity Fraud Expense Reimbursement Coverage, the shortest permissible statutory limitation of time will govern and will supersede the time limitation herein stated.

6. Concealment or Misrepresentation

This Indemnity Fraud Expense Reimbursement Coverage is void as to any insured if, at any time, such insured intentionally conceals or misrepresents a material fact concerning either this insurance or a claim under this insurance.

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY.

NEW YORK CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY+ WITH IDENTITY FRAUD EXPENSE REIMBURSEMENT COVERAGE PART

PROVISIONS

- The following replaces Paragraphs 1., 2., 3. and
 of the Cancellation Common Policy Condition:
 - 1. The first Named Insured shown in the Declarations may cancel this entire policy by mailing or delivering to us advance written notice of cancellation.
 - 2. Cancellation Of Policies In Effect:
 - a. 60 Days Or Less

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- (1) 30 days before the effective date of cancellation if we cancel for any reason not included in Paragraph 2.a.(2) below.
- (2) 15 days before the effective date of cancellation if we cancel for any of the following reasons:
 - (a) Nonpayment of premium, provided however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due;
 - (b) Conviction of a crime arising out of acts increasing the hazard insured against;
 - (c) Discovery of fraud or material misrepresentation in the obtaining of the policy or in the presentation of a claim;
 - (d) After issuance of the policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and that occurred subsequent to inception of the current policy period;

- (e) Material physical change in the property insured, occurring after issuance or last annual renewal anniversary date of the policy, that results in the property becoming uninsurable accordance with our objective, uniformly applied underwriting standards in effect at the time the policy was issued or last renewed; or material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the policy, that causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued last or renewed;
- (f) Required pursuant to a determination by the Superintendent that continuation of our present premium volume would jeopardize our solvency or be hazardous to the interest of our policyholders, our creditors or the public;
- (g) A determination by the Superintendent that the continuation of the policy would violate, or would place us in violation of, any provision of the Insurance Code; or
- (h) Where we have reason to believe, in good faith and with sufficient cause, that there is a probable risk of danger that the insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. If we cancel for this

reason, you may make a written request to the Insurance Department, within 10 days of receipt of this notice, to review our cancellation decision. Also, we will simultaneously send a copy of this cancellation notice to the Insurance Department.

b. For More Than 60 Days

If this policy has been in effect for more than 60 days, or if this policy is a renewal or continuation of a policy we issued, we may cancel only for any of the reasons listed in Paragraph 2.a.(2) above, provided:

- (1) We mail the first Named Insured written notice at least 15 days before the effective date of cancellation; and
- (2) If we cancel for nonpayment of premium, our notice of cancellation informs the first Named Insured of the amount due.
- 3. We will mail or deliver our notice, including the reason for cancellation, to the first Named Insured at the address shown in the policy and to the authorized agent or broker.
- 5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata.

However, when the premium is advanced under a premium finance agreement, the cancellation refund will be pro rata. Under such financed policies, we will be entitled to retain a minimum earned premium of 10% of the total policy premium or \$60, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

2. The following is added to the Cancellation Common Policy Condition:

If one of the reasons for cancellation in Paragraph 2.a.(2) exists, we may cancel this entire policy, even if the reason for cancellation pertains only to a new coverage or endorsement initially effective subsequent to the original issuance of this policy.

3. The following conditions are added and supersede any other provision to the contrary:

Nonrenewal Or Conditional Renewal

a. If we decide not to renew this policy or we conditionally renew this policy subject to:

- (1) A change in limits;
- (2) A change in type of coverage;
- (3) A reduction in coverage;
- (4) An increased deductible;
- (5) An addition of exclusion;
- (6) Increased premiums in excess of 10%, exclusive of any premium increase due to and commensurate with insured value added or increased exposure units; or as a result of experience rating, loss rating, retrospective rating or audit;

we will mail or deliver written notice to the first Named Insured shown in the Declarations at least 60 but not more than 120 days before:

- (1) The expiration date; or
- (2) The anniversary date if this is a continuous policy.
- b. Notice will be mailed or delivered to the first Named Insured at the address shown in the policy and to the authorized agent or broker. If notice is mailed, proof of mailing will be sufficient proof of notice.
- c. Notice will include the specific reason(s) for nonrenewal or conditional renewal, including the amount of any premium increase for conditional renewal and description of any other changes.
- **d.** If we violate any of the provisions of Paragraphs **a.**, **b.** or **c.** above by sending the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice:
 - (1) And if notice is provided prior to the expiration date of this policy, coverage will remain in effect at the same terms and conditions of this policy at the lower of the current rates or the prior period's rates until 60 days after such notice is mailed or delivered, unless the first Named Insured, during this 60 day period, has replaced the coverage or elects to cancel.
 - (2) And if notice is provided on or after the expiration date of this policy, coverage will remain in effect at the same terms and conditions of this policy for another policy period, at the lower of the current rates or the prior period's rates, unless the first Named Insured, during this additional policy period, has replaced the coverage or elects to cancel.

- e. If you elect to renew on the basis of a late conditional renewal notice, the terms, conditions and rates set forth in such notice shall apply:
 - Upon expiration of the 60 day period, unless Subparagraph (2) below applies; or
 - (2) Notwithstanding the provisions in Paragraphs d.(1) and d.(2), as of the renewal date of the policy if the conditional renewal notice was sent at least 30 days prior to the expiration or anniversary date of the policy.
- f. We will not send you notice of nonrenewal or conditional renewal if you, your authorized agent or broker or another insurer of yours mails or delivers notice that the policy has been replaced or is no longer desired.
- **g.** The Aggregate Limit in the Declarations of this Coverage Part will be increased in proportion to any policy extension provided in accordance with Paragraph **d.** above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK MANDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY+ WITH IDENTITY FRAUD EXPENSE REIMBURSEMENT COVERAGE PART

PROVISIONS

- 1. The following replaces the first paragraph of Paragraph A.1. of SECTION I EMPLOYMENT PRACTICES LIABILITY COVERAGE:
 - 1. We will pay on behalf of the insured, "damages" and "defense expenses" on account of a "claim" first made during the "policy period", automatic Extended Reporting Period or if exercised, during the Optional Extended Reporting Period, for an actual or alleged "wrongful employment practice". We will have the right and duty to defend any "claim", even if the allegations are groundless, false or fraudulent; provided, that we will not be obligated to defend or to continue to defend any "claim" after the applicable Limit of Insurance has been exhausted by payment of "damages" or "defense expenses" or both.

The insured will have the option to:

- Select the defense attorney or consent to our choice of defense attorney, which consent will not be unreasonably withheld; and
- **b.** Participate in, and assist in the direction of, the defense of any "claim".
- 2. The following is added to Paragraph A.1. of SECTION I EMPLOYMENT PRACTICES LIABILITY COVERAGE:

If the available limit of insurance is exhausted, we will notify you as soon as practicable of all outstanding "claims" or suits, so you can arrange to take over control of their defense.

We agree to take whatever steps are necessary during a transfer of control of defense of an outstanding "claim" or suit to continue that defense and avoid a default judgment during such transfer. When we take such steps, you agree that we do not waive or give up any of our rights. You also agree to repay the reasonable expenses we incur for such steps taken after the available limit of insurance is exhausted.

- 3. The following is added to Paragraph B. of SECTION I EMPLOYMENT PRACTICES LIABILITY COVERAGE:
 - **3.** Under this Employment Practices Liability Coverage, we will have no duty to pay "damages" for any "claim" based on:

Purposeful Violation

Any deliberately fraudulent or dishonest act or omission or any purposeful violation of any statute, rule or law by such insured.

- 4. The following replaces Paragraph C.1.d of SECTION I EMPLOYMENT PRACTICES LIABILITY COVERAGE:
 - d. Any person who, at the time the "claim" is made, is a lawful spouse, or a person qualifying as a Domestic Partner under the provisions of any applicable federal, state or local law (a "Domestic Partner"), other than New York law, of an insured, is also an insured, but only if:
 - (1) The "claim" against such spouse or Domestic Partner results from a "wrongful employment practice" actually or allegedly committed by the insured to whom the spouse is married, or to whom the Domestic Partner is joined; and
 - (2) Such insured and his or her spouse or Domestic Partner are represented by the same counsel in connection with such "claim".

However, such spouse or Domestic Partner of an insured will not have any greater right to coverage under this Employment Practices Liability Coverage than the insured to whom such spouse is married, or to whom such Domestic Partner is joined; and will not be an insured for any "wrongful employment practice" committed by such spouse or Domestic Partner.

5. The following is added to Paragraph D.1. of SECTION I - EMPLOYMENT PRACTICES LIABILITY COVERAGE:

Regardless of the number of persons or entities bringing "claims" and regardless of the number of persons or entities who are insureds, the total limit of our liability to make any payment for "defense expenses" incurred in connection with:

- an administrative proceeding or other non-judicial dispute resolution forum; or
- litigation in which the remedies or relief sought are non-pecuniary or non-monetary in nature:

will not exceed 25% of the amount shown in ITEM 1. of the Declarations for this Coverage Part as the Limit of Insurance.

 The following replaces Paragraph E., Retention Amount, of SECTION I – EMPLOYMENT PRACTICES LIABILITY COVERAGE;

E. Retention Amount

The Retention Amount shown in ITEM 1. of the Declarations for this Coverage Part will be deducted from all amounts, including "defense expenses", paid by us for each "claim". We will be liable only for sums in excess of the Retention Amount. We will have no obligation to pay "damages" or "defense expenses" until the Retention Amount has been exhausted by amounts that constitute covered loss. We may elect to pay all or part of the Retention Amount and, upon notice of the action taken by us, the insured will promptly reimburse us such part of the Retention Amount as has been paid by us.

7. The following replaces Paragraph F., Extended Reporting Period, of SECTION I — EMPLOYMENT PRACTICES LIABILITY COVERAGE:

F. Extended Reporting Period

 Upon "termination of coverage" by the first Named Insured or by us, we will provide to the first Named Insured a sixty (60) day automatic Extended Reporting Period for "claims" made against persons or entities who at the effective date of "termination of coverage" were insureds, but only for "wrongful employment practices" committed wholly prior to the effective date of "termination of coverage" and which otherwise would be covered by this policy. This sixty (60) day automatic Extended Reporting Period shall be deemed a part of and not in addition to, any Extended Reporting Period purchased by the first Named Insured as described below.

The sixty (60) day automatic Extended Reporting Period shall not provide a new, additional or renewed Limit of Insurance and the Limit of Insurance applicable to all "claims" made during such automatic sixty (60) day Extended Reporting Period shall be only the remaining portion of the Limit of Insurance for the "policy period" as so extended.

2. Upon "termination of coverage", the first Named Insured shall have the right to purchase, for the period of time set forth in ITEM 3, of the Declarations, an Optional Extended Reporting Period in which to give us written notice of "claims" first made during the Optional Extended Reporting Period against persons or entities who at the effective date of "termination of coverage" were insureds, but only for "wrongful employment practices" committed wholly prior to the effective date of "termination coverage" and which otherwise would be covered by this Employment Practices Liability Coverage.

The Optional Extended Reporting Period shall not provide a new, additional or renewed Limit of Insurance and the Limit of Insurance applicable to all "claims" made during such Optional Extended Reporting Period shall be only the remaining portion of the Limit of Insurance for the "policy period" as so extended.

The premium due for the Optional Extended Reporting Period shall equal the percentage set forth in ITEM 3, of the Declarations of the annualized premium applicable to the Liability Coverage, including the fully annualized amount of any additional premiums charged by us during the "policy period" prior to such termination or cancellation. The entire premium for the Optional Extended Reporting Period shall be deemed to have been fully earned at the commencement of such Optional Extended Reporting Period.

3. The following conditions apply to Paragraphs **F.1.** and **2.** above:

- a. Notice of a "potential claim" may not be given by any "insured" during such automatic or Optional Extended Reporting Period.
- b. Such automatic or Optional Extended Reporting Period is excess over any other valid and collectible other insurance purchased or obtained by the first Named Insured or its successors in business. which replaces in whole or in part the insurance afforded by this Employment Practices Liability Coverage, If such other policy provides no coverage for acts occurring prior to its effective date, it shall not be deemed a replacement within the meaning of this provision.
- c. Within thirty (30) days of "termination of coverage", we must advise the first Named Insured in writing, of the automatic Extended Reporting Period and the availability of, the premium for, and the importance of purchasing additional Extended Reporting Period coverage. The first Named Insured will have the greater of sixty (60) days from the effective date of "termination of coverage", or thirty (30) days from the date of mailing or delivery of this notice to submit written acceptance of the additional Extended Reporting Period.
- d. If this policy is canceled by us because of non-payment of premium, and at the effective date of such cancellation we have provided this insurance to the first Named Insured on a claims-made basis continuously without interruption for less than one year, there will be no right to elect and purchase an Optional Extended Reporting Period.
- e. In the event the first Named Insured is placed in liquidation or bankruptcy or permanently ceases operations and the first Named Insured or its designated trustee does not purchase the Optional Extended Reporting Period, then any insured has the right, upon payment of the required additional premium, to request in writing the election of the Optional Extended Reporting Period within

120 days of the Policy Expiration Date. We will have no obligation to provide any notice to any insured of the availability of the Optional Extended Reporting Period.

8. The following definition is added to Paragraph G., Definitions, of SECTION I — EMPLOYMENT PRACTICES LIABILITY COVERAGE:

"Termination of Coverage" means, whether made by the insurer or the insured at any time:

- (1) cancellation or nonrenewal of this policy; or
- (2) any decrease in limits, reduction of coverage, increased deductible or self-insured retention, new exclusion, or any other change in coverage less favorable to the Insureds.
- 9. The following replaces Paragraph G.4.a. of SECTION I EMPLOYMENT PRACTICES LIABILITY COVERAGE:

"Damages":

- a. Means money which an insured is legally obligated to pay as a result of a "claim", including settlements; judgments; back and front pay; compensatory damages; prejudgment interest; and legal fees and expenses of a "claimant" awarded pursuant to a court order or judgment.
- 10. The following is added to Paragraph G.6. of SECTION I EMPLOYMENT PRACTICES LIABILITY COVERAGE:

"Discrimination" includes only such acts or allegations based on disparate impact or vicarious liability. "Discrimination" does not include disparate treatment "discrimination" or any kind of intentional sexual or other intentional harassment in the workplace.

11. The following replaces Paragraph G.20.c. of SECTION I – EMPLOYMENT PRACTICES LIABILITY COVERAGE:

"Sexual Harassment", committed by an insured who does not participate in, direct or knowingly allow such harassment:

12. The following condition is added to Paragraph B. of SECTION III — CONDITIONS APPLICABLE TO THIS COVERAGE PART and supersedes any other provision to the contrary:

Loss Information

We will provide the first Named Insured with the following loss information for the period of time that we continuously provided coverage under this Coverage Part:

- **a.** The date and description of the event on closed "claims", including the amount of payment, if any;
- **b.** The date and description of the event on open "claims", including the amount of payment, if any;
- **c.** The date and description of each event you reported to us.

We will provide this information only if we receive a request for it from the first Named Insured or the agent or broker of record. Once we have received this request, we will mail or deliver the information to the first Named Insured or the agent or broker of record within 10 days of receipt of the request.

We collect "claim" information for our own business purposes and do so as carefully and as accurately as possible. When providing such information to the first Named Insured or the agent or broker of record, we make no promises or warranties to anyone that this information has no errors. Any cancellation or nonrenewal will take effect even if we accidentally provide incorrect information.

- 13. The following replaces Paragraph B.1.a., of SECTION III CONDITIONS APPLICABLE TO THIS COVERAGE PART:
 - a. In the event the insured becomes aware that a "claim" has been made, written notice of the particulars of such "claim", including all facts constituting any actual or alleged "wrongful employment practice", the identity of each person allegedly involved in or affected by such "wrongful employment practice", and the date(s) of the alleged events, must be provided to us as soon as practicable.

Notice given by or on behalf of the insured, or written notice by or on behalf of any other injured party to any of our agents licensed in New York State, with particulars sufficient to identify the insured, will be considered to be notice to us.

14. The following is added to the Paragraph B.1., Insured's Duties In The Event Of A Claim, of SECTION III — CONDITIONS APPLICABLE TO THIS COVERAGE PART:

Notwithstanding anything to the contrary, the failure to give notice to the insurer as soon as practicable as required under this Coverage Part

will not invalidate coverage for any "claim" unless the failure to give such timely notice has prejudiced the insurer. However, coverage for any "claim" will not be invalidated on such grounds if it is shown that it was not reasonably possible to give such timely notice and that notice was given as soon as reasonably possible thereafter.

15. The following replaces Paragraph B.2., Action Against Us, of SECTION III — CONDITIONS APPLICABLE TO THIS COVERAGE PART:

2. Action Against Us

- a. With respect to any "claim" covered by this Coverage Part, if we disclaim liability or deny coverage based upon the failure to provide timely notice, then the injured person or other claimant may maintain an action directly against us, provided that the sole question is whether our disclaimer of liability or denial of coverage is based on the failure to provide timely notice, unless within 60 days of such disclaimer or denial, we or the insured:
 - (1) Initiates an action to declare the rights of the parties under this Coverage Part; and
 - (2) Names the injured person or other claimant as a party to the action.
- b. Except as set forth in paragraph 1. above, no person or organization has any right under this Coverage Part to join us as a party to any action against the insured or said insured's legal representative.
- **c.** Bankruptcy or insolvency of the insured will not relieve us of any or our obligations hereunder.
- d. No action will lie against us by an insured for the recovery of any settlement or judgment against that insured unless 30 days has elapsed following such settlement or judgment.
- 16. The following is added to Paragraph B.3., Representations, of SECTION III CONDITIONS APPLICABLE TO THIS COVERAGE PART:

No misrepresentation will be deemed material unless knowledge by us of facts misrepresented would have led to a refusal by us to accept the risk.

MULTIPLE SUBLINE ENDORSEMENTS

MULTIPLE SUBLINE ENDORSEMENTS

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY.

NEW YORK CHANGES – PREMIUM AUDIT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART LIQUOR LIABILITY COVERAGE PART PRODUCT WITHDRAWAL COVERAGE PART PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. Paragraph b. of the Premium Audit Condition Section IV is replaced by the following:

PREMIUM AUDIT

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. An audit to determine the final premium due or to be refunded will be completed within

180 days after the expiration date of the policy. But the audit may be waived if the total annual premium attributable to the auditable exposure base is not reasonably expected to exceed \$1500. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured.

B. Except as provided in Paragraph A. above, the Examination Of Your Books And Records Common Policy Condition continues to apply.

INTERLINE ENDORSEMENTS

INTERLINE ENDORSEMENTS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK – EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART COMMERCIAL INLAND MARINE COVERAGE PART FARM COVERAGE PART

- A. The exclusion set forth in Paragraph B. applies to all coverage under all forms and endorsements that comprise this Coverage Part including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense, rental value or action of civil authority.
- **B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- However, this exclusion does not apply to loss or damage caused by or resulting from fungus. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C. The terms of the exclusion in Paragraph B., or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE

This endorsement applies to the insurance provided under the following:

COMMERCIAL EXCESS LIABILITY (UMBRELLA) INSURANCE

COMMERCIAL GENERAL LIABILITY COVERAGE PART

CYBERFIRST ESSENTIALS LIABILITY COVERAGE PART

CYBERFIRST LIABILITY COVERAGE

EMPLOYEE BENEFITS LIABILITY COVERAGE PART

EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART

EMPLOYMENT PRACTICES LIABILITY* WITH IDENTITY FRAUD EXPENSE REIMBURSEMENT COVERAGE PART

ENVIRONMENTAL HAZARD POLICY

EXCESS (FOLLOWING FORM) LIABILITY INSURANCE

LAW ENFORCEMENT LIABILITY COVERAGE PART

LIMITED ABOVE GROUND POLLUTION LIABILITY COVERAGE PART

LIOUOR LIABILITY COVERAGE PART

MEDFIRST PRODUCTS/COMPLETED OPERATIONS, ERRORS AND OMISSIONS, AND

INFORMATION SECURITY LIABILITY COVERAGE FORM

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

PUBLIC ENTITY MANAGEMENT LIABILITY COVERAGE PART

RAILROAD PROTECTIVE LIABILITY COVERAGE PART

SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY – NEW YORK DEPARTMENT OF TRANS-PORTATION

TRIBAL BUSINESS MANAGEMENT LIABILITY COVERAGE PART

Any other Commercial Liability coverage included in this policy that is subject to the federal Terrorism Risk Insurance Act of 2002 as amended

PROVISIONS

The federal Terrorism Risk Insurance Act of 2002 as amended ("TRIA") establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in TRIA) caused by "Acts Of Terrorism" (as defined in TRIA). Act Of Terrorism is defined in Section 102(1) of TRIA to mean any act that is certified by the Secretary of the Treasury — in consultation with the Secretary of Homeland Security and the Attorney General of the United States — to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

The Federal Government's share of compensation for such Insured Losses is established by TRIA and is a percentage of the amount of such Insured Losses in excess of each Insurer's "Insurer Deductible" (as defined in TRIA), subject to the "Program Trigger" (as defined in TRIA). Through 2020, that percentage is established by TRIA as follows:

85% with respect to such Insured Losses occurring in calendar year 2015.

84% with respect to such Insured Losses occurring in calendar year 2016.

83% with respect to such Insured Losses occurring in calendar year 2017.

82% with respect to such Insured Losses occurring in calendar year 2018.

81% with respect to such Insured Losses occurring in calendar year 2019.

80% with respect to such Insured Losses occurring in calendar year 2020.

In no event, however, will the Federal Government be required to pay any portion of the amount of such Insured Losses occurring in a calendar year that in the aggregate exceeds \$100 billion, nor will any Insurer be required to pay any portion of such amount provided that such Insurer has met its Insurer Deductible. Therefore, if such Insured Losses occurring in a calendar year exceed \$100 billion in the aggregate, the amount of any payments by the Federal Government and any coverage provided by this policy for losses caused by Acts Of Terrorism may be reduced.

For each coverage provided by this policy that applies to such Insured Losses, the charge for such Insured Losses is included in the premium for such coverage. The charge for such Insured Losses that has been included for each such coverage is indicated below, and does not include any charge for the portion of such Insured Losses covered by the Federal Government under TRIA.

• 1% of each applicable Commercial Liability Coverage premium.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF COMMON POLICY CONDITIONS – PROHIBITED COVERAGE – UNLICENSED INSURANCE AND TRADE OR ECONOMIC SANCTIONS

This endorsement modifies insurance provided under the following:

ALL COVERAGES INCLUDED IN THIS POLICY

The following is added to the Common Policy Conditions:

Prohibited Coverage - Unlicensed Insurance

- With respect to loss sustained by any insured, or loss to any property, located in a country or jurisdiction in which we are not licensed to provide this insurance, this insurance does not apply to the extent that insuring such loss would violate the laws or regulations of such country or jurisdiction.
- **2.** We do not assume responsibility for:
 - a. The payment of any fine, fee, penalty or other charge that may be imposed on any person or organization in any country or jurisdiction because we are not licensed to provide insurance in such country or jurisdiction; or

b. The furnishing of certificates or other evidence of insurance in any country or jurisdiction in which we are not licensed to provide insurance.

Prohibited Coverage – Trade Or Economic Sanctions

We will provide coverage for any loss, or otherwise will provide any benefit, only to the extent that providing such coverage or benefit does not expose us or any of our affiliated or parent companies to:

- 1. Any trade or economic sanction under any law or regulation of the United States of America; or
- **2.** Any other applicable trade or economic sanction, prohibition or restriction.

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART

COMMERCIAL EXCESS LIABILITY (UMBRELLA) INSURANCE

COMMERCIAL GENERAL LIABILITY COVERAGE PART

COMMERCIAL INLAND MARINE COVERAGE PART

COMMERCIAL PROPERTY COVERAGE PART

CYBERFIRST ESSENTIALS LIABILITY COVERAGE PART

CYBERFIRST LIABILITY COVERAGE

DELUXE PROPERTY COVERAGE PART

EMPLOYEE BENEFITS LIABILITY COVERAGE PART

EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART

EMPLOYMENT PRACTICES LIABILITY* WITH IDENTITY FRAUD EXPENSE REIMBURSEMENT COVERAGE PART

ENVIRONMENTAL HAZARD POLICY

EQUIPMENT BREAKDOWN COVERAGE PART

EXCESS (FOLLOWING FORM) LIABILITY INSURANCE

LAW ENFORCEMENT LIABILITY COVERAGE PART

LIMITED ABOVE GROUND POLLUTION LIABILITY COVERAGE PART

LIQUOR LIABILITY COVERAGE PART

MEDFIRST PRODUCTS/COMPLETED OPERATIONS, ERRORS AND OMISSIONS, AND

INFORMATION SECURITY LIABILITY COVERAGE FORM

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

PUBLIC ENTITY MANAGEMENT LIABILITY COVERAGE PART

RAILROAD PROTECTIVE LIABILITY COVERAGE PART

SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY – NEW YORK DEPARTMENT OF TRANSPORTATION

TRIBAL BUSINESS MANAGEMENT LIABILITY COVERAGE PART

Any other Coverage Part or Coverage Form included in this policy that is subject to the federal Terrorism Risk Insurance Act of 2002 as amended

The following is added to this policy. This provision can limit coverage for any loss arising out of a "certified act of terrorism" if such loss is otherwise covered by this policy. This provision does not apply if and to the extent that coverage for the loss is excluded or limited by an exclusion or other coverage limitation for losses arising out of "certified acts of terrorism" in another endorsement to this policy.

If aggregate insured losses attributable to "certified acts of terrorism" exceed \$100 billion in a calendar year and we have met our insurer deductible under "TRIA", we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of "TRIA", to be an act of terrorism pursuant to "TRIA". The criteria contained in "TRIA" for a "certified act of terrorism" include the following:

- The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to "TRIA"; and
- 2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

"TRIA" means the federal Terrorism Risk Insurance Act of 2002 as amended.

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION **ENDORSEMENT**

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

FARM COVERAGE PART

LIQUOR LIABILITY COVERAGE PART

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART

POLLUTION LIABILITY COVERAGE PART

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

RAILROAD PROTECTIVE LIABILITY COVERAGE PART

SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY NEW YORK DEPARTMENT OF

TRANSPORTATION

- 1. The insurance does not apply:
 - A. Under any Liability Coverage, to "bodily injury" or "property damage":
 - (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
 - B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

- C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material",
 - (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
 - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured": or
 - (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.
- 2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "Special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";

- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a selfsupporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY.

NEW YORK CHANGES – FRAUD

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART

COMMERCIAL AUTOMOBILE COVERAGE PART

COMMERCIAL INLAND MARINE COVERAGE PART

COMMERCIAL PROPERTY COVERAGE PART

EQUIPMENT BREAKDOWN COVERAGE PART

FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL

COVERAGES, CONDITIONS, DEFINITIONS

FARM COVERAGE PART - LIVESTOCK COVERAGE FORM

FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE

FORM

The CONCEALMENT, MISREPRESENTATION OR FRAUD Condition is replaced by the following:

FRAUD

We do not provide coverage for any insured ("insured") who has made fraudulent statements or engaged in fraudulent conduct in connection with any loss ("loss") or damage for which coverage is sought under this policy.

However, with respect to insurance provided under the COMMERCIAL AUTOMOBILE COVERAGE PART, we will provide coverage to such "insured" for damages sustained by any person who has not made fraudulent statements or engaged in fraudulent conduct if such damages are otherwise covered under the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

- A. Paragraphs 1., 2., 3. and 5. of the Cancellation Common Policy Condition are replaced by the following:
 - The first Named Insured shown in the Declarations may cancel this entire policy by mailing or delivering to us advance written notice of cancellation.

2. Cancellation Of Policies In Effect

a. 60 Days Or Less

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- (1) 30 days before the effective date of cancellation if we cancel for any reason not included in Paragraph A.2.b. below.
- (2) 15 days before the effective date of cancellation if we cancel for any of the reasons included in Paragraph A.2.b. below.

b. For More Than 60 Days

If this policy has been in effect for more than 60 days, or if this policy is a renewal or continuation of a policy we issued, we may cancel only for any of the reasons listed below, provided we mail the first Named Insured written notice at least 15 days before the effective date of cancellation:

(1) Nonpayment of premium, provided however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due;

- (2) Conviction of a crime arising out of acts increasing the hazard insured against;
- (3) Discovery of fraud or material misrepresentation in the obtaining of the policy or in the presentation of a claim;
- (4) After issuance of the policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and which occurred subsequent to inception of the current policy period;
- (5) Material physical change in the property insured, occurring after issuance or last annual renewal anniversary date of the policy, which results in the property becoming uninsurable in accordance with our objective, uniformly applied underwriting standards in effect at the time the policy was issued or last renewed; or material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed:
- (6) Required pursuant to a determination by the Superintendent that continuation of our present premium volume would jeopardize our solvency or be

- hazardous to the interest of our policyholders, our creditors or the public;
- (7) A determination by the Superintendent that the continuation of the policy would violate, or would place us in violation of, any provision of the Insurance Code; or
- (8) Where we have reason to believe, in good faith and with sufficient cause, that there is a probable risk of danger that the insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. If we cancel for this reason, you may make a written request to the Department of Financial Services, within 10 days of receipt of this notice, to review our cancellation decision. Also, we will simultaneously send a copy of this cancellation notice to the Department of Financial Services.
- 3. We will mail or deliver our notice, including the reason for cancellation, to the first Named Insured at the address shown in the policy and to the authorized agent or broker.
- 5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata.
 - However, when the premium is advanced under a premium finance agreement, the cancellation refund will be pro rata. Under such financed policies, we will be entitled to retain a minimum earned premium of 10% of the total policy premium or \$60, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.
- **B.** The following is added to the **Cancellation** Common Policy Condition:
 - 7. If one of the reasons for cancellation in Paragraph A.2.b. or D.2.b.(2) exists, we may cancel this entire policy, even if the reason for cancellation pertains only to a new coverage or endorsement initially effective subsequent to the original issuance of this policy.
- C. The following conditions are added:

1. Nonrenewal

If we decide not to renew this policy we will send notice as provided in Paragraph C.3. below.

2. Conditional Renewal

If we conditionally renew this policy subject to:

- a. A change of limits;
- b. A change in type of coverage;
- c. A reduction of coverage;
- d. An increased deductible:
- e. An addition of exclusion; or
- f. Increased premiums in excess of 10%, exclusive of any premium increase due to and commensurate with insured value added or increased exposure units; or as a result of experience rating, loss rating, retrospective rating or audit;

we will send notice as provided in Paragraph **C.3.** below.

3. Notices Of Nonrenewal And Conditional Renewal

- a. If we decide not to renew this policy or to conditionally renew this policy as provided in Paragraphs C.1. and C.2. above, we will mail or deliver written notice to the first Named Insured shown in the Declarations at least 60 but not more than 120 days before:
 - (1) The expiration date; or
 - (2) The anniversary date if this is a continuous policy.
- b. Notice will be mailed or delivered to the first Named Insured at the address shown in the policy and to the authorized agent or broker. If notice is mailed, proof of mailing will be sufficient proof of notice.
- c. Notice will include the specific reason(s) for nonrenewal or conditional renewal, including the amount of any premium increase for conditional renewal and description of any other changes.
- d. If we violate any of the provisions of Paragraph C.3.a., b. or c. above by sending the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice:
 - (1) And if notice is provided prior to the expiration date of this policy, coverage will remain in effect at the same terms and conditions of this policy at the lower of the current rates or the prior period's rates until 60 days after such notice is mailed or delivered,

- unless the first Named Insured, during this 60-day period, has replaced the coverage or elects to cancel;
- (2) And if the notice is provided on or after the expiration date of this policy, coverage will remain in effect at the same terms and conditions of this policy for another policy period, at the lower of the current rates or the prior period's rates, unless the first Named Insured, during this additional policy period, has replaced the coverage or elects to cancel.
- e. If you elect to renew on the basis of a late conditional renewal notice, the terms, conditions and rates set forth in such notice shall apply:
 - (1)Upon expiration of the 60-day period, unless Subparagraph (2) below applies; or
 - (2) Notwithstanding the provisions in Paragraphs d.(1) and d.(2), as of the renewal date of the policy if the conditional renewal notice was sent at least 30 days prior to the expiration or anniversary date of the policy.
- f. We will not send you notice of nonrenewal or conditional renewal if you, your authorized agent or broker or another insurer of yours mails or delivers notice that the policy has been replaced or is no longer desired.
- D. The following provisions apply when the Commercial Property Coverage Part, the Farm Coverage Part or the Capital Assets Program (Output Policy) Coverage Part is made a part of this policy:
 - 1. Items **D.2.** and **D.3.** apply if this policy meets the following conditions:
 - a. The policy is issued or issued for delivery in New York State covering property located in this state; and
 - **b.** The policy insures:
 - (1) For loss of or damage to structures, other than hotels or motels, used predominantly for residential purposes and consisting of no more than four dwelling units; or
 - (2) For loss of or damage to personal property other than farm personal property or business property; or

- (3) Against damages arising from liability for loss of, damage to or injury to persons or property, except liability arising from business or farming; and
- c. The portion of the annual premium attributable to the property and contingencies described in 1.b. exceeds the portion applicable to other property and contingencies.
- **2.** Paragraph **2.** of the **Cancellation** Common Policy Condition is replaced by the following:
 - 2. Procedure And Reasons For Cancellation
 - a. We may cancel this entire policy by mailing or delivering to the first Named Insured written notice of cancellation at least;
 - (1) 15 days before the effective date of cancellation if we cancel for nonpayment of premium, provided however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
 - **b.** But if this policy:
 - (1) Has been in effect for more than 60 days; or
 - (2) Is a renewal of a policy we issued;
 - we may cancel this policy only for one or more of the following reasons:
 - (1) Nonpayment of premium, provided however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due;
 - (2) Conviction of a crime arising out of acts increasing the risk of loss;
 - (3) Discovery of fraud or material misrepresentation in obtaining the policy or in making a claim;
 - (4) Discovery of willful or reckless acts or omissions increasing the risk of loss;
 - (5) Physical changes in the covered property that make that property uninsurable in accordance with our objective and uniformly ap-

plied underwriting standards in effect when we:

- (a) Issued the policy; or
- (b) Last voluntarily renewed the policy;
- (6) The Superintendent of Financial Services' determination that continuing the policy would violate Chapter 28 of the Insurance Law; or
- (7) Required pursuant to a determination by the Superintendent of Financial Services that the continuation of our present premium volume would be hazardous to the interests of our policyholders, our creditors or the public.
- 3. The following are added:

a. Conditional Continuation

Instead of cancelling this policy, we may continue it on the condition that:

- (1) The policy limits be changed; or
- (2) Any coverage not required by law be eliminated.

If this policy is conditionally continued, we will mail or deliver to the first Named Insured written notice at least 20 days before the effective date of the change or elimination. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

b. Nonrenewal

If, as allowed by the laws of New York State, we:

- (1) Do not renew this policy; or
- (2) Condition policy renewal upon:
 - (a) Change of limits; or
 - (b) Elimination of coverage;

we will mail or deliver written notice of nonrenewal or conditional renewal:

- (a) At least 45 days; but
- (b) Not more than 60 days;

before the expiration date of the policy. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of

mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

E. The following is added to the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions, the Commercial Property Coverage Part and the Capital Assets Program (Output Policy) Coverage Part:

When the property is subject to the Anti-arson Application in accordance with New York Department of Financial Services' Insurance Regulation No. 96, the following provisions are added:

If you fail to return the completed, signed and affirmed anti-arson application to us:

- Or our broker or agent within 45 days of the effective date of a new policy, we will cancel the entire policy by giving 20 days' written notice to you and to the mortgageholder shown in the Declarations.
- 2. Before the expiration date of any policy, we will cancel the policy by giving written notice to you and to the mortgageholder shown in the Declarations at least 15 days before the effective date of cancellation.

The cancellation provisions set forth in **E.1.** and **E.2.** above supersede any contrary provisions in this policy including this endorsement.

If the notice in **E.1.** or **E.2.** above is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

F. The following applies to the Commercial Property Coverage Part, the Farm Coverage Part and the Capital Assets Program (Output Policy) Coverage Part:

Paragraphs **f.** and **g.** of the **Mortgageholders** Condition are replaced by the following:

f. Cancellation

- (1) If we cancel this policy, we will give written notice to the mortgageholder at least:
 - (a) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - (b) 30 days before the effective date of cancellation if we cancel for any other reason.
- (2) If you cancel this policy, we will give written notice to the mortgageholder. With respect to the mortgageholder's interest only, cancellation will become effective on the later of:

- (a) The effective date of cancellation of the insured's coverage; or
- **(b)** 10 days after we give notice to the mortgageholder.

g. Nonrenewal

- (1) If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.
- (2) If you elect not to renew this policy, we will give written notice to the mortgageholder. With respect to the mortgageholder's interest only, nonrenewal will become effective on the later of:
 - (a) The expiration date of the policy; or
 - **(b)** 10 days after we give notice to the mortgageholder.

G. The following provisions apply when the following are made a part of this policy:

Commercial General Liability Coverage Part

Employment-Related Practices Liability Coverage Part

Farm Liability Coverage Form

Liquor Liability Coverage Part

Products/Completed Operations Liability Coverage Part

- 1. The aggregate limits of this policy as shown in the Declarations will be increased in proportion to any policy extension provided in accordance with Paragraph C.3.d. above.
- 2. The last sentence of Limits Of Insurance does not apply when the policy period is extended because we sent the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES – REFERENCES TO NEW YORK SUPERINTENDENT OF INSURANCE, INSURANCE DEPARTMENT, INSURANCE LAW, AND REGULATION NO.

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS INCLUDED IN THIS POLICY

- Wherever it appears throughout this policy in reference to New York, the term Superintendent of Insurance is replaced by Superintendent of Financial Services.
- 2. Wherever it appears throughout this policy in reference to New York, the term Insurance Department or Department of Insurance is replaced by Department of Financial Services.
- Wherever it appears throughout this policy in reference to New York, the term Insurance Law is replaced by Financial Services Law.
- **4.** Wherever it appears throughout this policy in reference to New York, the term Regulation No. is replaced by Insurance Regulation No.

POLICY NUMBER: 680-9N029386-19-42 ISSUE DATE: 09/12/2019

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NOTICE OF CANCELLATION/NONRENEWAL PROVIDED BY US – NEW YORK

This endorsement modifies insurance provided under the following:
ALL COVERAGE PARTS INCLUDED IN THIS POLICY

SCHEDULE

CANCELLATION:

Number of Days Notice: 10

WHEN WE DO NOT RENEW (Nonrenewal):

Number of Days Notice: 10

PROVISIONS:

A. For any statutorily permitted reason other than nonpayment of premium, the number of days required for notice of cancellation, as provided in the CONDITIONS Section of this insurance, or as amended by any applicable state cancellation endorsement applicable to this insurance, is increased to the number of days shown in the SCHEDULE above. B. For any statutorily permitted reason other than nonpayment of premium, the number of days required for notice of When We Do Not Renew (Nonrenewal), as provided in the CONDITIONS Section of this insurance, or as amended by any applicable state When We Do Not Renew (Nonrenewal) endorsement applicable to this insurance, is increased to the number of days shown in the SCHEDULE above.

POLICYHOLDER NOTICES



IMPORTANT NOTICE – INDEPENDENT AGENT AND BROKER COMPENSATION

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.

For information about how Travelers compensates independent agents and brokers, please visit www.travelers.com, call our toll-free telephone number 1-866-904-8348, or request a written copy from Marketing at One Tower Square, 2GSA, Hartford, CT 06183.

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IMPORTANT NOTICE – RISK MANAGEMENT PLUS ONLINE® FROM TRAVELERS BOND & FINANCIAL PRODUCTS

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT, BROKER OR LOCAL COMPANY REPRESENTATIVE IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE. THE PROVISIONS OF YOUR POLICY PREVAIL

Thank you for choosing Travelers for your insurance needs. Travelers Select Accounts and Bond & Financial Products have partnered to offer you Employment Practices Liability with Identity Fraud Expense Reimbursement. Travelers Bond & Financial Products is a market leader in providing management liability coverage that is in-synch with your private company. As your risks evolve, so do we through our ability to provide you with responsive risk management services.

With your purchase of Employment Practices Liability with Identity Fraud Expense Reimbursement, Travelers is pleased to provide you with Risk Management PLUS Online, the industry's most comprehensive program for mitigating your management liability exposures. The site includes risk management tools for Employment Practices Liability, Identity Fraud Expense Reimbursement, and many other liability coverage related exposures

Risk Management PLUS⁺Online is a flexible, comprehensive loss prevention program specifically designed for Travelers customers and is available to you at <u>no additional cost</u>. Included in the site is a library of articles, checklists and training on relevant risk mitigation topics for the management liability areas mentioned above.

Highlights of Risk Management PLUS[†]Online services include:

- Web-based risk management training
- Weekly articles on current issue
- Model policies and forms for downloading or printing that cover major risks associated with the workplace

The attached Risk Management PLUS Online Registration Instructions contain easy, step-by-step instructions to register for this valuable tool. For more information, call 1-888-712-7667 and ask for your Risk Management PLUS Online representative. It's that simple.

We strongly encourage you to take full advantage of this program. Once again, thank you for choosing Travelers.

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Instructions for Registration & Orientation to Risk Management PLUS*Online®

Registration for Site Administrators:

The Site Administrator is the person in your organization who will oversee Risk Management PLUS[†]Online for the organization. The Site Administrator is typically a person who leads human resources and/or financial functions or is responsible for legal matters pertaining to personnel. The Site Administrator may add other Site Administrators later to assist with their responsibilities.

To register:

- 1) Go to www.rmplusonline.com.
- 2) In the Sign-In box, click Register.
- 3) Enter the password/passcode: TRVP160000 (Please note there are 4 letters followed by 6 numbers in the code)
- 4) Fill in the Registration Information and click Submit.
- 5) Your organization is registered, and you are registered as Site Administrator.

Learning to Navigate the Site:

- 1) Go to www.rmplusonline.com. On each page, you will see a box outlined in blue that contains the instructions for use of that page.
- 2) If you have any questions, just click on **Contact Us** on the front page. Enter your question in the form provided, and the System Administrator will get back to you quickly with the answer.
- 3) You can also schedule a live walk-through of the site by sending a request for a walk-through via the contact link on the front page.

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IMPORTANT NOTICE

PROTECTIVE SAFEGUARDS ENDORSEMENT FOR SPRINKLERED LOCATIONS AND RESTAURANTS (MP T3 07 03 97)

PLEASE READ THIS NOTICE CAREFULLY.

YOUR POLICY INCLUDES A PROTECTIVE SAFEGUARDS ENDORSEMENT FOR SPRINKLERED LOCATIONS AND RESTAURANTS (MP T3 07 03 97).

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR LOCAL COMPANY REPRESENTATIVE IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND ANY NOTICE YOU RECEIVE FROM US, THE PROVISIONS OF YOUR POLICY PREVAIL.

The Protective Safeguards Endorsement included as part of your policy indicates that the building you own or occupy has an Automatic Sprinkler System or a protective system covering a cooking surface, or both. It is important to understand that, as a building owner or a tenant, you have certain duties as described within the Protective Safeguards Endorsement with respect to any protective device identified in the Protective Safeguards Endorsement schedule. Our obligation to pay for loss or damage caused by or resulting from fire is subject to the terms and conditions of the Protective Safeguards Endorsement.

Please review the terms and conditions of the Protective Safequards Endorsement carefully.

IMPORTANT NOTICE TO NEW YORK COMMERCIAL FIRE INSURANCE POLICYHOLDERS

NEW YORK STATE HAZARDOUS MATERIAL REPORT FORM

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.

Every commercial fire insurance policyholder in the State of New York is required, under the provisions of Section 209-U of the General Municipal Law, to annually report to their local fire department the presence of hazardous materials at their business address.

As your insurance carrier we are required, under Section 3409 of the Financial Services Law, to make available to you the form necessary to make this report. If you have hazardous materials at your business address, the Hazardous Materials Report Form (DOS-0347), including instructions, is available for viewing and printing at the website of NYS Office of Fire Prevention and Control (OFPC). Please go to:

http://www.dos.state.ny.us/fire/pdfs/forms/hm209u.pdf

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IMPORTANT NOTICE – RISK MANAGEMENT PLUS+ ONLINE® FROM TRAVELERS BOND & FINANCIAL PRODUCTS – EMPLOYMENT PRACTICES LIABILITY HOTLINE

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT, BROKER OR LOCAL COMPANY REPRESENTATIVE IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.

Employment Practices Liability Hotline

As part of the services provided through Risk Management PLUS+ Online®, Travelers is pleased to provide its Employment Practices Liability+ with Identity Fraud Expense Reimbursement coverage policyholders with unlimited access to a toll-free hotline designed to provide quick, practical guidance on day-to-day workplace issues.

To utilize the hotline, call 1-866-EPL-TRAV (1-866-375-8728).

Through this hotline, policyholders are eligible to receive free general guidance from the national employment law firm of Jackson Lewis, LLP. The hotline is available toll-free from anywhere in the United States.

We have developed this program in conjunction with Jackson Lewis LLP, one of the largest law firms in the country, exclusively dedicated to representing management on workplace issues. With more than 650 attorneys, in 46 offices countrywide, the firm has both a recognized expertise in workplace-related issues and a sensitivity to regional business environments.

From reviewing the proper steps for a sexual harassment investigation to discussing general factors to consider before you make day-to-day employment decisions, the firm's attorneys are available to assist policyholders in managing their workplace risk and minimizing employment related claims. As part of this program, policyholders are also eligible to receive a 10 percent discount on Jackson Lewis' regular fees for matters beyond the scope of the hotline, such as those dealing with specific employees or areas not within the scope of their policy. Similarly, the hotline cannot be used to report a claim regardless of any disclosure made to Jackson Lewis.

We encourage policyholders to take advantage of this no-cost hotline. For more information about the hotline, go to www.rmplusonline.com/EPLhotline.

This material does not amend, or otherwise affect, the provisions or coverages of any insurance policy or bond issued by Travelers. It is not a representation that coverage does or does not exist for any particular claim or loss under any such policy or bond. Coverage depends on the facts and circumstances involved in the claim or loss, all applicable policy or bond provisions, and any applicable law. Availability of coverage referenced in this document can depend on underwriting qualifications and state regulations.

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IMPORTANT NOTICE – NEW YORK DISCLOSURE ADDENDUM EMPLOYEE BENEFITS LIABILITY COVERAGE

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOSE NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.

Please read the following disclosure and notice requirements regarding your Employee Benefits Liability Coverage carefully:

- 1. The coverage is written on a claims-made basis.
- 2. The coverage includes a retroactive date and does not cover claims or suits that result from any negligent act, error or omission committed before that retroactive date.
- 3. The coverage applies only to claims or suits first made or brought during the policy period or any extended reporting period we provide. The coverage contains an automatic Basic Extended Reporting Period of 90 days from the end of the policy period, or from the date of a reduction in coverage if earlier than the end of the policy period. If the insurance is canceled or not renewed, all coverage ends for claims or suits first made or brought after the expiration of the Basic Extended Reporting Period, unless a Supplemental Extended Reporting Period Endorsement is purchased. If there is a reduction in coverage, all coverage for loss that would no longer be covered solely because of such reduction in coverage ends for claims or suits first made or brought after the expiration of the Basic Extended Reporting Period, unless a Supplemental Extended Reporting Period Endorsement is purchased.
- **4.** The length of the Supplemental Extended Reporting Period is three years. Coverage gaps may arise upon expiration of this extended reporting period.
- 5. During the first several years of claims-made coverage, claims-made rates are comparatively lower than occurrence rates. You can expect substantial annual premium increases in years subsequent to the first claims-made year, in addition to any other premium increases due to other causes, until the claims-made coverage reaches maturity.

IMPORTANT NOTICE -JURISDICTIONAL INSPECTIONS

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR LOCAL COMPANY REPRESENTATIVE IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF THE POLICY PREVAIL.

Dear Policyholder;

Many states and some cities issue certificates permitting the continued operation of certain equipment such as boilers, water heaters, pressure vessels, etc. Periodic inspections are normally required to renew these certificates. In most jurisdictions, insurance company employees who have been licensed are authorized to perform these inspections.

If:

- You own or operate equipment that requires a certificate from a state or city to operate legally, and
- · We Insure that equipment under this Policy, and
- · You would like us to perform the next required inspection;

Then;

Call this toll-free number — 1-800-425-4119

When you call this number, our representative will ask you for the following information:

- Name of your business (as shown on this Policy)
- Policy Number
- Location where the equipment is located. Including Zip Code.
- Person to contact and phone number for scheduling of inspection
- Type of equipment requiring inspection
- Certificate inspection date and certificate number

Or;

Fill in the form on the reverse side of this notice and fax it to the toll-free number indicated on that form. Please note the following:

- Your jurisdiction may charge you a fee for renewing a certificate. It is your responsibility to pay such a fee.
- All the provisions of the INSPECTIONS AND SURVEYS Condition apply to the inspections described in this
 notice.

REMINDER

If new equipment is installed or old equipment replaced that requires a jurisdictional inspection please let us know by calling our toll-free number listed above.

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REQUEST FOR JURISDICTIONAL INSPECTION

| Name of Business: | | |
|-------------------------------------|----------------------|---|
| | (As Shown on Policy) | |
| Policy Number: | | |
| Location of Equipment: | | |
| City | State | ZipCode |
| Person to Contact for Scheduling In | spection: | |
| Telephone Number of Person to Co | ntact: | |
| Equipment Type | Certificate Number | Certificate Expiration Date |
| | | |
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| | | |
| Fax Form to 1-877-764-9535 | | |
| Completed by: | Phone Number: | |

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To Our Valued Customer,

Each year, homeowners and business owners across the nation sustain significant weather-related property damage due to floods. These can include losses caused by waves, tidal waters, the overflow of a body of water, the rapid accumulation or runoff of surface water, and mudslide. In nearly all cases, these flood losses cannot be prevented or even anticipated. And, in many instances, the losses are devastating.

Most standard property insurance policies, including most of our policies, do <u>not</u> provide coverage for flood losses. While flood coverage is often available – primarily through the <u>National Flood Insurance Program</u> – it is rarely purchased. Unfortunately, each year we find that some policyholders are surprised and disappointed to learn that damages they have suffered as a direct result of flood are not covered under the policies they have purchased.

Please review your insurance coverage with your agent or Company representative. As you consider the need for flood insurance, keep in mind that floods can, and do, occur in locations all over the country. They are not limited to coastal areas or locations with nearby rivers or streams. Several inches of rain falling over a short period of time can cause flood damage, even in normally dry areas that are not prone to flooding.

For further information about Flood Insurance, contact your agent or company representative, or contact the National Flood Insurance Program directly.

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